PRC LAWS, REGULATIONS AND POLICIES

This section sets out summaries of certain aspects of PRC laws, regulations and policies that are relevant to the Company's business and operations.

LAWS, REGULATIONS AND POLICIES RELATING TO COMPUTER SOFTWARE

According to the Regulations on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and most recently amended on January 30, 2013 and taking effect on March 1, 2013, Chinese citizens, legal entities or other organizations enjoy copyright (including the right of divulgation, the right of developer-ship, the right of alteration, the right of reproduction, the right of distribution, the right of rental, the right of communication through information network, the right of translation, and other rights which shall be enjoyed by software copyright owners) in the software which they have developed, whether published or not.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on April 6, 1992 and most recently amended and taking effect on February 20, 2002, the software copyright, the exclusive licensing contracts and the assignment contracts of software copyright could be registered, and the National Copyright Administration shall be responsible for software copyright registration and management, and designate the Copyright Protection Center of China as the agency for software registration. Applications that meet the applicable requirements shall be approved for registration, and the Copyright Protection Center of China shall grant registration certificates to the applicants.

According to the Catalog for Guiding Industry Restructuring (2024 version) (《產業結構調整指導目錄（2024年本）》) promulgated by the National Development and Reform Commission of the PRC ("NDRC") on December 27, 2023, taking effect on February 1, 2024, the development of industry (enterprise)-specific management and informatization solutions, network-based software service platforms, software development and testing services, information system integration, consulting, operation and maintenance, data mining and other services within the extent permitted by the PRC are under the encouraged category. According to the Notice on Issuing the Plan for Development of the Digital Economy During the "14th Five-Year Plan" Period (《"十四五"數字經濟發展規劃的通知》) issued by the State Council on December 12, 2021, China will accelerate digital industrialization and address inadequacies in key technologies during the "14th Five-Year Plan" Period. It also highlights vigorously developing digital commerce so as to comprehensively accelerate the digital transformation of commerce, logistics, finance and other service industries, optimize the management systems and service models, and improve the quality and efficiency of service industries. It stipulates that market forces shall be encouraged to tap the value of commercial data, promote the turning of data value into products and services, vigorously develop specialized and personalized data services, and promote the in-depth integration of data, technology, and scenarios to meet the data needs in various fields. It also stipulates that key industries shall be encouraged to innovate the data development and utilization models, and mobilize industry associations, research institutes, enterprises and other parties to participate in data value development under the premise of ensuring data security and guaranteeing user privacy.

The Outline of the 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives through the Year 2035 of the People's Republic of China (《中華人民共和國國民經濟和社

會發展第十四個五年規劃和2035年遠景目標綱要》) promulgated by the National People's Congress ("NPC") on March 12, 2021 points out that China will cultivate and expand emerging digital industries such as AI, big data, block chain, cloud computing, and cyber security and improve the level of the communication equipment, core electronic components, and key software industries, and push forward the integrated research and development of general-purpose processors, cloud computing systems, and core software technologies.

The Several Policies on Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry in the New Era (《新時期促進集成電路產業和軟件產業高質量發展若干政策》) promulgated by the State Council on July 27, 2020 proposes introduction of a package of supporting policies regarding finance, tax, investment and financing, R&D, import and export, talent, intellectual property, market application and international cooperation to further optimize the development environment for the software industry, deepen international industrial cooperation, and improve industrial innovation capability and development quality.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

The China Securities Regulatory Commission ("CSRC") promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), which were previous legislations governing overseas offering and listing by domestic companies, were repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to **[REDACTED]** and **[REDACTED]** securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (1) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (2) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (3) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (5) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

The Overseas Listing Trial Measures also provides that if the issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas

offering and listing by PRC domestic companies: (1) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; and (2) the main parts of the issuer's business activities are conducted in the PRC, or its main place(s) of business are located in the PRC, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the PRC. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

In addition, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of China amended the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》) (CSRC Announcement [2009] No. 29) and promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (CSRC Announcement [2023] No. 44) (the "Provisions on Confidentiality and Archives Administration") on February 24, 2023 to further strengthen the confidentiality and archives administration in connection with the overseas securities issuance and listing by domestic companies, clarify the information security responsibilities of listed companies, safeguard national information security and deepen cross-border regulatory cooperation. To align with the Overseas Listing Trial Measures, "domestic companies" in the Provisions on Confidentiality and Archives Administration are defined as either one of the following entities: a joint stock company incorporated domestically that conducts direct overseas offering and listing, or a domestic operating entity of a company that conducts indirect overseas offering and listing. In addition, procedural requirements have been added to the Provisions on Confidentiality and Archives Administration which also clarifies the requirements of companies' confidentiality responsibilities and accounting archives administration.

LAWS AND REGULATIONS RELATING TO CYBER SECURITY AND DATA PROTECTION

Cyber Security

According to the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the Standing Committee of the National People's Congress ("SCNPC") on November 7, 2016 and taking effect on June 1, 2017, the State advances the establishment of socialized service systems for cyber security, encouraging relevant enterprises and institutions to carry out cyber security certifications, testing, risk assessment, and other such security services. Critical information infrastructure operators purchasing network products and services that might impact national security shall undergo a national security review organized by the State cyber security and informatization departments and relevant departments of the State Council. Furthermore, critical information infrastructure operators that gather or produce personal information or important data during operations within the territory of the People's Republic of China, shall store it within the PRC. Where due to business requirements it is truly necessary to provide it outside the PRC, they shall follow the measures jointly formulated by the State cyber security and informatization departments and the relevant departments of the State Council to conduct a security assessment.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "Data Security Law"), which came into effect on September 1, 2021. According to the Data Security Law, the State is to support research into data development and use and data security technology, encourage dissemination and commercial innovation of technology in fields such as data development and use and data security, and foster and develop products and industrial systems for data development and use and data security. The State is also to support education and scientific research institutions, enterprises, etc., to carry out education and training in data development and use technologies and data security, adopting diverse methods to cultivate professional talent in data development and use technologies and data security, and promoting talent exchanges.

The Data Security Law also introduces a categorized and classified protection system based on the importance of the data in economic and social development, as well as the extent of harm to national security, public interests, or the lawful rights and interests of individuals or organizations that will be caused once the data are altered, destroyed, leaked, or illegally obtained or used. Appropriate protection measures are required to be taken for each category of data. For example, processors of important data shall be clear about their persons responsible for data security and the data security management bodies, shall conduct risk assessments of their data processing, and submit risk assessment reports to relevant competent departments; the central leading authority for national security shall be responsible for the decision-making, deliberation and coordination of the national data security work. In addition, the Data Security Law provides that a national security review procedure shall be performed for those data activities that may affect national security and export restrictions shall be imposed on certain data and information. Without the approval of the competent authorities of PRC, organizations or individuals in the PRC shall not provide data stored within the territory of the PRC to any overseas judicial or law enforcement body.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which came into effect on September 1, 2021. According to the Regulations on Security Protection for Critical Information Infrastructure, critical information infrastructure refers to any important network facilities or information systems in important industries and sectors such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, and other important ones whose destruction, loss of functionality, or data leakage may gravely harm national security, the national economy and people's livelihood, or the public interest. According to the Regulations, the competent departments and supervisory departments, which govern the important industries and sectors, shall be responsible for organizing the identification of the critical information infrastructure in respective industries or sectors, as the departments responsible for the security protection of the critical information infrastructure, and such departments should promptly notify their operators about the identification results, and notify the public security department of the State Council.

On November 14, 2021, the Cyberspace Administration of China (the "CAC") published the Administrative Regulations for Internet Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), which provides that data processors conducting the following activities must apply for cyber security review: (1) a merger, reorganization, or division to be conducted by an Internet platform operator who has amassed a substantial amount of data resources that concern national security, economic development or public interests, which will or may impact national security; (2) a foreign listing to be conducted by a data processor processing the personal information of more than one million individuals;

(3) a Hong Kong listing to be conducted by a data processor, which will or may impact national security; or (4) other data processing activities that impact or may have an impact on national security. The Administrative Regulations for Internet Data Security (Draft for Comments) has not yet been officially enacted and implemented.

On December 28, 2021, the CAC, the National Development and Reform Commission of the People's Republic of China ("NDRC"), the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT") and several other PRC governmental authorities jointly promulgated the Cyber Security Review Measures (《網絡安全審查辦法》). These Measures took effect on February 15, 2022 and replaced the former Cyber Security Review Measures promulgated on April 13, 2020. According to the Cyber Security Review Measures, an operator of critical information infrastructure that purchases network products and services, or an Internet platform operator that conducts data processing activities, which affect or may affect national security, shall be subject to a cyber security review according to the Measures. In addition, the Internet platform operator which processes the personal information of more than one million users and intends to be listed on a foreign stock exchange must be subject to a cyber security review. The Cyber Security Review Office under the CAC is responsible for developing institutions and norms on cyber security review and organizing cyber security reviews.

Data Export Security Assessment

On July 7, 2022, the CAC issued the Measures for Security Assessment of Data Exports (《數據出境安全評估辦法》), which came into effect on September 1, 2022. According to the Measures for Security Assessment of Data Exports, data processors shall, in any of the following circumstances, apply for data export security assessment with the CAC through their local provincial-level cyberspace administration authorities: (1) where the data processors provide important data abroad; (2) where critical information infrastructure operators and data processors handling the personal information of over 1 million people provide personal information abroad; (3) where data processors providing abroad the personal information of more than 100,000 people or the sensitive personal information of more than 10,000 people since January 1 of the previous year; or (4) other circumstances where the CAC provides that data export security assessment must be applied for.

To guide and assist data processors in submitting application for data export security assessments in a standardized and orderly manner, the CAC prepared the Guidelines for Data Export Security Assessment Application (Version 1.0) (《數據出境安全評估申報指南(第一版)》) in August 2022, which provide specific requirements for the method, process, and materials required for submitting a data export security assessment application.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law promulgated by the Standing Committee of the National People's Congress (the "NPC Standing Committee") in December 1993 and amended in December 1999, August 2004, October 2005, December 2013 and October 2018, respectively. The PRC Company Law was further amended on December 29, 2023 and the latest amendments will become effective on July 1, 2024. The PRC Company Law generally regulates two types of companies, namely, limited liability companies and joint-stock limited

companies. The PRC Company Law should also apply to foreign-invested companies. The Company is required to continuously comply with the relevant provisions of the PRC Company Law after the latest amendments to the PRC Company Law have come into effect.

According to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the NPC on March 15, 2019 and taking effect on January 1, 2020, and the Implementation Rules for the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (the "Implementation Rules for the Foreign Investment Law") promulgated by the State Council on December 26, 2019 and taking effect on January 1, 2020, the "foreign investment" refers to the investment activities in China carried out directly or indirectly by foreign natural persons, enterprises or other organizations. The State adopts the pre-entry national treatment and negative list management system for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative list management system refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. Foreign investors are prohibited from investing in any areas specified in the negative list, and must meet the conditions listed in the negative list before investing in any restricted areas. Investments, profits, and other legitimate rights and interests of foreign investors in China are protected by law, and various national policies supporting the development of enterprises are equally applicable to foreign-funded enterprises. The State guarantees the equal participation of foreign-funded enterprises in the formulation of standards and strengthens the information disclosure and social supervision of standard formulation. The State also ensures that foreign-funded enterprises participate in government procurement activities through fair competition in accordance with the law, and that the products and services provided by foreign-invested enterprises in China are treated equally in government procurement according to the law. Except under special circumstances, the State shall not expropriate any overseas investment.

According to the Measures for Reporting Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the Ministry of Commerce of the People's Republic of China (the "MOFCOM") and the State Administration for Market Regulation on December 30, 2019 and taking effect on January 1, 2020, where foreign investors directly or indirectly engage in investment activities within the territory of China, foreign investors or foreign-funded enterprises shall submit the investment information to competent departments for commerce in accordance with these Measures. Foreign investors or foreign-funded enterprises shall report investment information in a timely manner, follow the principles of truthfulness, accuracy, and completeness, shall not make false or misleading reports, and shall not have major omissions.

According to the Catalog of Encouraged Industries for Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》) promulgated by NDRC and MOFCOM on October 26, 2022 and taking effect on January 1, 2023, and the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) ("**Negative List**") promulgated by NDRC and MOFCOM on December 27, 2021 and taking effect on January 1, 2022, foreign investment industries are divided into the Catalog of Encouraged Industries for Foreign Investment and the Negative List. The Negative List is further subdivided into the "Catalog of Restricted Industries for Foreign Investment" and the "Catalog of Prohibited Industries for Foreign Investment". Industries that are not included in the Negative List are considered as permitted industries for foreign investment. Foreign investors are encouraged to invest in software development, production, etc.

In addition, according to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by NDRC and MOFCOM on December 19, 2020 and taking effect on January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures for the Security Review of Foreign Investment. The State has established a mechanism for conducting security reviews of foreign investment, which is responsible for organizing, coordinating, and guiding such reviews. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (i) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (ii) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTIES

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) ("Trademark Law") promulgated by the SCNPC on August 23, 1982, most recently amended on April 23, 2019 and taking effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, most recently amended on April 29, 2014 and taking effect on May 1, 2014 stipulate the application, examination and approval, renewal, modification, transfer, use and invalidation of trademark registration, and protect the exclusive right to use a trademark enjoyed by the trademark registrant. According to the Trademark Law and the Regulation on the Implementation of the Trademark Law of the People's Republic of China, the principle of "first-to-file" is adopted with respect to trademark registration in China. Where a trademark for which a registration has been made is identical or similar to an unregistered trademark that has been previously used by another person on the same kind of or similar commodities, the application for registration of such trademark may be rejected. The Trademark Office of China National Intellectual Property Administration ("Trademark Office") is responsible for the registration of trademarks. The valid period of a registered trademark shall be ten years from the date of approval of the registration. Upon expiry of the valid period, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. If the registrant fails to do so within the period, an extension period of six months may be granted. Valid period for each renewal is ten years from the next day after expiry of the previous valid term. The Trademark Office shall announce the trademarks subject to renewal of registration.

Moreover, according to the Trademark Law and the Regulation on the Implementation of the Trademark Law of the People's Republic of China, the trademark registrant may, by concluding a trademark licensing contract, authorize others to use the registered trademark. For licensed use of a registered trademark, the licensor shall file record of the licensing of the said trademark with the Trademark Office, while non-filing of the licensing of a trademark shall not be contested against a good faith third party. The licensor shall supervise the quality of the goods on which the licensee uses the licensor's

registered trademark. The licensee shall guarantee the quality of the goods on which the registered trademark is used.

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) ("Patent Law") promulgated by the SCNPC on March 12, 1984, amended on October 17, 2020 and taking effect on June 1, 2021, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) ("Implementation Rules of the Patent Law") promulgated by the State Council on June 15, 2001 and most recently amended on December 11, 2023 and taking effect on January 20, 2024, the Patent Office of China National Intellectual Property Administration is responsible for the administration of patent work nationwide. The patent administration departments of the provincial, autonomous region, or municipal governments are responsible for patent administration within their respective jurisdictions. The Patent Law and Implementation Rules of the Patent Law provide for three types of patents: "invention", "utility model" and "design" An invention patent is granted to a new technical solution proposed in respect of a product or method or an improvement of a product or method. A utility patent is granted to a new technical solution that is practicable for application and proposed in respect of the shape, structure or a combination of both of a product. A design patent is granted to the new design in shape, pattern or a combination of both and in color, shape and pattern combinations of the whole or part of product esthetically suitable for industrial application. Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, all starting from the date of application. The "first to file" principle is adopted with respect to the patent system in China, which means that if two or more applicants file separate patent applications for the same invention, the person who files the application first will be granted the patent. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness, and practicability. The patent rights enjoyed by the patent holder are protected by laws. Unless otherwise stipulated by laws, others may only use the patent after obtaining the permit or proper authorization of the patent holder. Otherwise, such behavior will constitute an infringing act of the patent right.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, most recently amended on November 11, 2020 and taking effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, most recently amended on January 30, 2013 and taking effect on March 1, 2013, works of PRC citizens, legal entities or unincorporated organizations, whether published or not, shall enjoy copyright. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, including written works, oral works, photographic works, video and audio works, and computer software. A copyright holder shall enjoy a number of rights, including the right of divulgation, the right of developer-ship and the right of reproduction.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking effect on November 1, 2017, and the

Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) promulgated by the China Internet Network Information Center on June 18, 2019 and taking effect on the same day, domain name owners are required to register their domain names. The MIIT is responsible for the supervision and management of China's Internet domain names, while the telecommunications management bureaus of each province, autonomous region, and municipality directly under the central government are responsible for the supervision and management of domain name services in their respective administrative regions. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

REGULATIONS RELATING TO PROPERTY LEASING

According to the Law on Administration of Urban Real Estate of the People's Republic of China (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and most recently amended on August 26, 2019, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

In addition, according to the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and taking effect on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law, and shall agree in the lease contract on the handling of the housing when it is expropriated or demolished. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality directly under the central government, city or county where the leased housing is located to register and file the housing lease. The parties to the housing lease can also entrust others in writing to handle the lease registration and filing. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

LAWS AND REGULATIONS RELATING TO LABOR, SOCIAL INSURANCE AND HOUSING FUNDS

Labor Contract

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and amended and came into effect on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and came into effect on July 1, 2013 and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on

September 18, 2008 and came into effect on the same date, an employer shall establish and improve labor rules and regulations according to the laws, and shall strictly comply with the national standards, provide relevant training to its employees, protect their labor rights and perform its labor obligations. If an employer establishes labor relationship with an employee, they should enter into a written labor contract. Labor contracts shall be categorized into fixed-term labor contract, unfixed-term labor contract and labor contract for the completion of certain work assignments. The wages payable by an employer to its employees shall not be less than local minimum wage. In addition, an employer must establish and improve the labor safety and health system, stringently implement national protocols and standards on labor safety and health, conduct labor safety and health education for employees, so as to prevent accidents in the labor process and reduce occupational hazards.

Social Insurance

In accordance with the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, which was last amended and put into effect on December 29, 2018, the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, which was last amended and put into effect on March 24, 2019, the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on December 14, 1998 and put into effect on the same date, the Decision of the State Council on Establishing a Unified Basic Old-age Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》) promulgated by the State Council on July 16, 1997 and put into effect on the same date, the Regulations on Work Injury Insurance (《工傷保險條例》) promulgated by the State Council on April 27, 2003, which was amended on December 20, 2010 and put into effect on January 1, 2011, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated by the State Council on January 22, 1999, as well as the Provisional Measures on Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》) promulgated by the Ministry of Labor and Social Security of the PRC (now repealed) on December 14, 1994 and put into effect on January 1, 1995, enterprises shall pay basic endowment insurance, basic medical insurance, unemployment insurance, maternity insurance and employment injury insurance for their employees in accordance with the statutory payment base and proportion. Basic endowment insurance, basic medical insurance and unemployment insurance shall be jointly borne by enterprises and employees, while the maternity insurance and employment injury insurance paid by enterprises. An employer that has not paid the social insurance premium in full amount on time may be ordered to pay the required contributions within a stipulated deadline or pay in full amount by the social insurance premium collecting body and be subject to a late payment fee of up to 0.05% per day since the date of payment default. If the employer still fails to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue imposed by the relevant administrative department.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999 and amended on March 24, 2019 and came into effect on the same date, enterprises must register at the housing provident fund management center to pay and deposit housing provident funds and open housing provident fund accounts for their

employees. Enterprises are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. With respect to any entity that fails to make deposit registration of the housing provident fund or fails to complete the housing provident fund account establishment procedures for its employees, such entity shall be ordered by the housing provident fund management center to complete such procedures within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Furthermore, if an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) ("Foreign Trade Law") promulgated by the SCNPC on May 12, 1994 and amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022, according to the pre-amendment Foreign Trade Law, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, the customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

According to the Customs Law of the PRC (《中華人民共和國海關法》) ("Customs Law"), which was reviewed and passed by the SCNPC on January 22, 1987, last amended on April 29, 2021 and came into effect on the same date, the customs of the PRC is the state's entry and exit customs supervision and administration authority. In accordance with the Customs Law and other relevant laws and administrative regulations, the customs are responsible for the supervision of the transport vehicles, goods, freight items, postal items and other items entering into and departing from the PRC and collecting tariff and other duties and charges. All imported goods, throughout the period from arrival in the territory to the customs clearance, all exported goods, throughout the period from declaration to the customs to departure from the territory, and transit, transshipment and through goods, throughout the period from arrival in the territory to departure from the territory shall be subject to the supervision of the customs. Unless otherwise specified, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. In addition, according to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC ("General Administration of Customs") on November 19, 2021 and came into effect on January 1, 2022, the consignees and consignors of imported or exported goods and customs declaration enterprises shall go through customs declaration and filing procedures at the relevant administration department of customs in accordance with the law.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》, the "Regulations on the Management of Foreign Exchange"), which was promulgated by the State Council on January 29, 1996, came into effect on April 1, 1996 and amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange, China does not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the "Settlement Regulations"), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》(PBOC Announcement [2005] No. 16), which was promulgated by the PBOC on July 21, 2005 and came into effect on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the amended Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to

their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE promulgated and implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), according to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the prospectus and other disclosure documents. Domestic companies (except a banking financial institution) shall, by virtue of the registration certificate for overseas listing business, open a "dedicated foreign exchange account for overseas listing of domestic companies" with a domestic bank for their initial public offering (or additional public offering) and repurchase business to handle the exchange and transfer of funds for the relevant business.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015, came into effect on June 1, 2015 and amended on December 30, 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No.16) promulgated and implemented by the SAFE on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

The Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No.3) was promulgated by the SAFE on January 26, 2017, to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

The Notice of the SAFE on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28) was promulgated by the SAFE on October 23, 2019 and amended on December 4, 2023, which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law (《企業所得税法》) promulgated by the SCNPC on March 16, 2007 and last amended and came into effect on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007 and amended and came into effect on April 23, 2019, a domestic enterprise, which is established within the PRC in accordance with PRC laws or established in accordance with any laws of a foreign country (region) but with an actual management institution located in the PRC, shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT rate of 25% on any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry and project which are supported and encouraged by the State. High and new technology enterprises in need of key support from the State may enjoy a reduced EIT rate of 15%.

On October 16, 2023, the Company was recognized as a high technology enterprise jointly by Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會), Shenzhen Finance Bureau (深圳市財政局) and Shenzhen Provincial Office of the State Administration of Taxation (國家税務總局深圳市税務局), and obtained the "High Technology Enterprise Certificate". According to the Administrative Measures for Recognition of High Tech Enterprises (《高新技術企業認定管理辦法》), which was amended by the Ministry of Science and Technology (MOST), the Ministry of Finance (MOF) and the State Taxation Administration (STA) and came into effect in January 2016, and the Announcement of the State Taxation Administration on Issues Concerning the Implementation of Preferential Income Tax Policies for High Technology Enterprises (《國家税務總局關於實施高新技術企業所得税優惠政策有關問題的公告》), which was promulgated by the STA on June 19, 2017 and came into effect on the same date, the

qualification of a high technology enterprise recognized in accordance with the law will be valid for three years from the date of issuance of the certificate. Upon obtaining the qualification as a high technology enterprise, the enterprise should apply for tax concession from the year in which the High Technology Enterprise Certificate is issued and complete the filing procedures with the competent tax authorities as required.

Value-added Tax

According to the Provisional Regulations of the PRC on Value-Added Tax (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993, last amended and came into effect on November 19, 2017, and the Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF on December 25, 1993, last amended on October 28, 2011 and came into effect on November 1, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sale of services, intangible assets, real estate and the importation of goods within the territory of the PRC are taxpayers of value-added tax (the "VAT") and shall pay VAT in accordance with the laws. According to the Notice of the MOF and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) which was promulgated by the MOF and the STA on April 4, 2018 and came into effect on May 1, 2018, the original rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), which was promulgated by the MOF, the STA and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, the original rates of 16% or 10% applicable to the general VAT payers' sales activities or imports goods that are subject to VAT are adjusted to 13% or 9%, respectively.

Dividend Withholding Tax

According to the Arrangement between Chinese mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), which was promulgated on August 21, 2006 and effective from December 8, 2006, a withholding tax rate of no more than 5% applies to dividends paid by a PRC company to a Hong Kong resident, provided that the recipient is a company that holds at least 25% of the capital of the PRC company. A withholding tax rate of no more than 10% applies to dividends paid by a PRC company to a Hong Kong resident if the recipient is a company that holds less than 25% of the capital of the PRC company.

Furthermore, according to the Circular of the State Taxation Administration on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81), which was promulgated on and effective from February 20, 2009, where a PRC resident company pays dividends to a fiscal resident of the other contracting party to a tax treaty and such fiscal resident of the other contracting party is the beneficiary of such dividends, such dividends received by the fiscal resident of the other party are entitled to the treatment under the tax treaty, provided that all of the following requirements are satisfied:

(1) the taxpayer entitled to the treatment under the tax treaty shall be the fiscal resident of the other contracting party to a tax treaty;

(2) the taxpayer entitled to the treatment under the tax treaty shall be the beneficiary of the relevant dividends;

(3) dividends entitled to the treatment under the tax treaty shall be the equity investment income such as dividends and bonuses determined under the PRC tax laws; and

(4) other requirements provided by the STA.

If the tax resident of the other contracting party to the tax agreement directly owns a certain proportion or more of the capital (usually 25% or 10%) of a PRC resident company that pays dividends, the dividends obtained by the tax resident of the other contracting party can be taxed at the tax rate specified in the tax agreement. The tax resident of the other contracting party who claims the benefits of the tax agreement should meet the following conditions at the same time:

(1) such tax resident of the other contracting party who obtains dividends should be limited to a company as provided in the tax agreement;

(2) the owner's equity interests and voting shares of the PRC resident company directly owned by such tax resident of the other contracting party reaches a specified percentage; and

(3) the capital proportion of the PRC resident company directly owned by such tax resident of the other contracting party, at any time during the 12 months prior to the acquisition of the dividends, reaches a specified percentage in the tax agreement.

Preferential Tax Policy for the Software Industry

As listed in the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (2022) (《軟件企業和集成電路企業税費優惠政策指引(2022)》) issued by the STA on May 21, 2022, the integrated circuit industry enjoys a variety of tax preferences. For example, software products can enjoy refunding upon levy for the part in excess of the VAT burden; software enterprises encouraged by the State can enjoy regular exemption or reduction of the enterprise income tax; and software enterprises whose refunding upon levy is used for software products R&D and expanded reproduction can enjoy the corresponding income tax policy.

According to the Notice of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of Integrated Circuit and Software Industries in the New Era (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》) (Guo Fa [2020] No. 8) ("No. 8 Notice"), enterprises of software encouraged by the State are exempted from enterprise income tax during the first year and the second year from the first profit-making year. During the third year to the fifth year, the enterprise income tax shall be levied at half of the statutory tax rate of 25%. Key integrated circuit design enterprises and software enterprises encouraged by the State shall be exempted from enterprise income tax during the first year to the fifth year since the first profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in successive years. Notice of the National Development and Reform Commission and Other Departments on Making Relevant Requirements for the List of Integrated Circuit

Enterprises or Projects and Software Enterprises to Enjoy Preferential Tax Policy for 2023 (《國家發展改革委等部門關於做好2023年享受稅收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知》), on the basis of No. 8 Notice, makes detailed description of the conditions and project standards for enterprises that enjoy preferential tax policy.

In addition, in accordance with the Notice on Supporting Import Tax Policy for the Development of Integrated Circuit Industry and Software Industry (《關於支援集成電路產業和軟件產業發展進口稅收政策的通知》) (Cai Guan Shui [2021] No. 4) issued by the MOF, the General Administration of Customs and the STA on March 16, 2021, import behaviors that conform to the circumstances listed in this regulation are exempt from import duties. The implementation period is from July 27, 2020 to December 31, 2030.

Distribution of Dividends

According to the Company Law of the PRC, which was promulgated by the SCNPC on December 29, 1993, and amended and came into effect in October 26, 2018, and the Foreign Investment Law, which was promulgated by the NPC on March 15, 2019 and came into effect in January 1, 2020, foreign-invested enterprises in the PRC are only allowed to pay dividends out of their accrued profits, if any, as determined in accordance with the Chinese Accounting Standards and regulations. Unless otherwise provided in the legal provisions relating to foreign investment, PRC companies (including FIEs) are required to set aside at least 10% of their after-tax profits as general reserves until the accumulated amount of such reserves reaches 50% of their registered capital and are not permitted to distribute any profits until any losses of prior financial years have been set off. Retained profits of prior financial years may be distributed together with distributable profits of the current financial year.

REGULATIONS RELATING TO THE "FULL CIRCULATION" OF H SHARES

According to the Guidelines for the "Full Circulation" Program for Unlisted Domestic Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), which was promulgated by the CSRC on November 14, 2019 and came into effect on the same date and partially amended on August 10, 2023 based on the Decision of the CSRC on Amending and Abolishing Some Securities and Futures System Documents (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度檔的決定》), "full circulation" refers to the circulation of the unlisted domestic shares of an H-share company (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued after overseas listing and unlisted shares held by holders of overseas shares) on the Hong Kong Stock Exchange. Subject to compliance with relevant laws and regulations, as well as policies on state-owned assets management, foreign investment and industry supervision, shareholders of unlisted domestic shares may, through consultation, determine on their own the number and proportion of shares to be applied for circulation, and entrust an H-share company to submit an application for "full circulation". Unlisted domestic shares may not be transferred back to Chinese mainland after being listed and circulated on the Hong Kong Stock Exchange. Shareholders of unlisted domestic shares may reduce or increase their holdings of the involved shares which are listed and circulated on the Hong Kong Stock Exchange in accordance with relevant business rules. The H-share company shall submit a report on the relevant information to the CSRC within 15 days after the completion of the re-registration of the involved shares applied for with CSDC.

The Notice on Issuing the Measures for Implementation of H-share "Full Circulation" Business (《關於發佈<H股「全流通」業務實施細則>的通知》), which was issued by China Securities Depository and Clearing Corporation Limited ("CSDC") and Shenzhen Stock Exchange on December 31, 2019 and came into effect on the same date, is applicable to the relevant business involved in the "full circulation" of H shares, such as cross-border re-registration, custody and maintenance of shareholding information, agency transaction and placing of orders, settlement, management of clearing participants, nominee holders services, etc. H-share listed companies approved by the CSRC to participate in the "full circulation" of H-shares shall, upon completion of information disclosure, re-register their fully tradable H-shares with the Hong Kong share registrar, free from pledges, freezes, restrictions on transfer and other restrictive statuses, and become shares available for listing and circulation on the Hong Kong Stock Exchange. The relevant securities shall be centrally deposited with CSDC in China. CSDC, as the nominee for the above securities, shall be responsible for the depository, maintenance of shareholding information, cross-border clearing and settlement business involved in the "full circulation" of H-shares and provide nominee services to investors. H-share listed companies shall obtain authorization from the investor to select a domestic securities company to participate in the "full circulation" of H-shares. Investors shall submit trading orders for "full circulation" of H-shares through the domestic securities companies. The domestic securities company shall select a Hong Kong securities company through which the investor's trading orders will be reported to the Hong Kong Stock Exchange for trading. Upon completion of the transaction, CSDC and China Securities Depository & Clearing (Hong Kong) Company Limited (CSDC (Hong Kong)) shall handle the cross-border clearing and settlement of the relevant shares and funds, and the settlement currency for the H-share "full circulation" transaction business shall be Hong Kong dollars. H-share listed companies entrusting CSDC with the distribution of cash dividends shall submit an application to CSDC. When distributing cash dividends, the H-share listed company may request from CSDC the details of the cash dividend shares held by the relevant investors as at the date of equity rights registration. If an investor acquires "fully tradable" non-H shares listed on the HKSE as a result of equity distribution or conversion of full circulation of H-shares, the investor may sell but may not purchase the underlying securities; if an investor acquires a subscription right for shares listed on the HKSE and the right is listed on the HKSE, the investor may sell but may not exercise the right.

The Notice on Issuing the Guide to the Program for "Full Circulation" of H-shares (《關於發佈<H股「全流通」業務指南>的通知》), which was promulgated by CSDC on February 7, 2020 and came into effect on the same date, stipulates business preparation, account arrangement, cross-border share transfer registration and overseas centralized custodian. CSDC (Hong Kong) has also promulgated the Guide to the Program for "Full Circulation" of H-shares of CSDC (Hong Kong) (《中國證券登記結算（香港）有限公司H股「全流通」業務指南》), which stipulates the relevant custodianship, safekeeping, agency services, settlement and delivery arrangements and other related matters of CSDC (Hong Kong).