PRC LAWS AND REGULATIONS

We are subject to various PRC laws, rules and regulations that affect many aspects of our business. This section provides an overview of the PRC laws, regulations and rules we believe to be relating to our business and operation.

REGULATIONS ON COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT

Pursuant to the PRC Company Law promulgated by the Standing Committee of the National People's Congress (the "**NPCSC**") on December 29, 1993, which was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023 respectively and will come into force in July 1, 2024, the Company Law shall apply to all companies established in the PRC. The Company Law, which regulates the establishment, corporate structure and management of companies, also applies to foreign-invested companies. Where laws on foreign investment provide otherwise, such provisions shall prevail.

Pursuant to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) promulgated by the NPC on March 15, 2019 and effective on January 1, 2020, and the Regulations for the Implementation of 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》) promulgated by the State Council on December 26, 2019 and effective January 1, 2020, China will further expand its opening to the outside world, actively promote foreign investment, protect the legitimate rights and interests of foreign investment and regulate the management of foreign investment. Foreign-invested enterprises shall equally apply the state policies on supporting the development of enterprises in accordance with the law. The capital contributions, profits, capital gains, proceeds from the disposal of assets, royalties from the licensing of intellectual property, compensation or indemnification obtained in accordance with the law, and proceeds from liquidation of a foreign investor within the territory of China may be freely remitted into and out of the territory of China in Renminbi or foreign exchange in accordance with the law. The State adopts the management system of pre-establishment national treatment and Negative List for foreign investment. The State will give national treatment to foreign investments beyond the Negative List. No foreign investors shall be allowed to invest in the industries where foreign investment is prohibited by the Negative List; while for the industries restricted by the Negative List, restrictive access special management measures such as equity requirements and senior management requirements as stipulated in the Negative List shall be met before the foreign investment can be made. As for industries not included in the Negative List, the foreign and domestic investments shall be treated as the same in terms of administration.

According to the Negative List issued by the NDRC and the MOFCOM on December 27, 2021 and effective on January 1, 2022, and the Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) issued by the MOFCOM and the NDRC on October 26, 2022 and effective on January 1, 2023, our business does not fall within the scope of the Negative List and is not subject to special management measures.

Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was jointly promulgated by the MOFCOM and the State Administration for Market Regulation (the "**SAMR**") on December 30, 2019 and came into effect on January 1, 2020, if a foreign investor directly or indirectly carries out investment activities in China, the foreign investor or foreign-invested enterprise shall report the investment information to the competent commerce authorities.

Pursuant to the Measures for Security Review of Foreign Investments (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and effective from January 18, 2021, the NDRC and the MOFCOM shall set up the Office of Working Mechanisms under the NDRC, which is responsible for the security review of foreign investments. The Measures for Security Review of Foreign Investment define foreign investment as direct or indirect investment by a foreign investor in China, which includes (i) investing in a new domestic project or establishing a wholly foreign-owned company or a joint venture with a foreign investor; (ii) acquiring the equity or assets of a domestic enterprise by way of merger or acquisition; and (iii) investing in the country by other means. Investments in certain key areas related to national security, such as important cultural products and services, important information technology and Internet products and services, key technologies and other important areas related to national security, so as to obtain actual control of the invested enterprise, must be declared to the Office of the Working Mechanism prior to the making of the relevant investment.

REGULATIONS AND INDUSTRY STANDARDS RELATED TO THE AUTONOMOUS DRIVING AND INTELLIGENT CONNECTED VEHICLES INDUSTRY

According to the Development Plan for a New Generation of Artificial Intelligence (《新一代人工智能發展規劃》) promulgated by the State Council on July 8, 2017 and effective on the same day (effective from July 8, 2017), a major breakthrough in the basic theories of AI shall be achieved by 2025, some technologies and applications shall reach the world's leading level, AI shall become a major driving force to drive China's industrial upgrading and economic transformation, and positive progress shall be made in the construction of an intelligent society. By 2030, with AI theories, technologies and applications in general reaching the world's leading level, China shall become the world's major artificial intelligence innovation center, achieving significant results in intelligent economy and intelligent society, and laying an important foundation for being among the forefront of innovative countries and economic powerhouses.

According to the Automotive Driving Automation Classification (《汽車駕駛自動化分級》) promulgated by the Ministry of Industry and Information Technology of the People's Republic of China (the "**MIIT**") on March 9, 2020 (which became a recommended national standard on January 1, 2021), driving automation is classified into six grades ranging from 0 to 5. Level 0 refers to Emergency Assistance, Level 1 refers to Partial Driving Assistance, Level 2 refers to Combined Driving Assistance, Level 3 refers to Conditional Autonomous Driving, Level 4 refers to Highly Autonomous Driving, and Level 5 refers to Fully Autonomous Driving.

According to the Opinions of the Ministry of Industry and Information Technology on Strengthening the Management of Intelligent Connected Vehicle Manufacturing Enterprises and Product Entry (《工業和信息化部關於加強智能網聯汽車生產企業及產品准入管理的意見》) issued by the MIIT on July 30, 2021, the enterprises should strengthen the data security management capability, strengthen the network security guarantee capability, strengthen the enterprise management capability and ensure the consistency of the product production. In addition, the enterprises shall enhance the product management: (i) enterprises shall strictly fulfill their duty to inform. Enterprises producing automobile products with driver-assistance and self-driving functions shall clearly inform users of the vehicle function and performance limitations, the driver's duties, indication information of man-machine interaction equipment, and the ways and conditions for activating and withdrawing the functions; (ii) Enterprises shall strengthen the safety management of products with combined driving assistance functions; (iii) Enterprises shall strengthen the safety management of products with Autonomous Driving functions; and (iv) Enterprises shall ensure reliable spatial and temporal information services.

The MIIT and the Standardization Administration of China issued the Guidelines for the Construction of National Standard System for Telematics Industry (Intelligent Connected Vehicles) (《國家車聯網產業標準體系建設指南(智能網聯汽車)》) on July 18, 2023, which came into effect on the same day. The document provides a systematic planning and deployment of the Chinese standard system for Intelligent Connected Vehicles ("**ICV**"), and defines the framework of the standard system for ICVs, which is divided into four parts: the foundation, the general specifications, the products and technical applications, and the related standards. On December 25, 2018, the MIIT issued the Action Plan for the Development of the Telematics (Intelligent Connected Vehicles) Industry (《車聯網(智能網聯汽車)產業發展行動計劃》), clearly stipulating that we shall give full play to the basic, guiding and standardizing role of the standard system in the Telematics industry ecosystem, accelerate the implementation of the Guidelines for the Construction of the National Standard System for Telematics Industry (《國家車聯網產業標準體系建設指南》), and update, supplement, and improve the guidelines in due course according to the needs of industrial development.

On December 20, 2020, the Ministry of Transport (the "**MOT**") promulgated the Guidance of Ministry of Transport on Promoting the Development and Application of Autonomous Driving Technology (《交通運輸部關於促進道路交通自動駕駛技術發展和應用的指導意見》), which provides specific guidance on promoting the development and application of autonomous driving technology in terms of strengthening technological R&D promoting infrastructure intelligence, and carrying out pilot demonstrations.

On May 15, 2023, the China Association of Automobile Manufacturers released the Automotive Intelligent Cockpit Interaction Experience Test and Evaluation Procedures (Draft for Comments) (《汽車智能座艙交互體驗測試評價規程(徵求意見稿)》), which stipulates the terminology and definitions, the evaluation index system, the classification of grades, and the test and evaluation methodology of the Automotive Intelligent Cockpit Interaction Experience Test and Evaluation Procedures. The Automotive Intelligent Cockpit Interaction Experience Test and Evaluation include the evaluation on usefulness, safety, efficiency, cognition, intelligence, value, and aesthetics.

On November 17, 2023, the MIIT, the Ministry of Public Security (the "**MPS**"), the Ministry of Housing and Urban-Rural Development (the "MOHURD"), and the MOT jointly issued the Notice on the Pilot Work on the Admission and Road Access of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) (the "**Notice of Pilot Work**"). The Notice of Pilot Work requires the automobile manufacturers and the users to form a consortium for declaration, which shall be approved by the people's government of the city of operation, reviewed by the competent provincial department of industry and information technology in conjunction with other relevant authorities and reported to the MIIT. Ultimately, the MIIT, the MPS, the MOHURD and the MOT will organize experts to conduct a preliminary review of the declared proposals and decide on the consortiums that will participate in the pilot operation.

On November 21, 2023, the MOT issued the Guidelines for Transportation Safety Services of Autonomous Driving Cars (Trial) (《自動駕駛汽車運輸安全服務指南(試行)》) (the "**Service Guidelines**"). The Service Guidelines specifies the applicable scenarios of autonomous driving cars, i.e., the use of autonomous driving cars in urban roads, highways and other types of roads used for the passage of motor vehicles, to engage in passenger transport by bus and tram, passenger transport by taxi, road passenger transport operations, road cargo transportation business activities. It also clarifies that autonomous driving cars refer to conditional autonomous driving cars, highly autonomous driving cars and fully autonomous driving cars as specified in the national standard of Automotive Driving Automation Classification (《汽車駕駛自動化分級》), i.e., the widely known L3, L4 and L5 level autonomous driving cars.

According to the Interim Provisions on Radio Management of Automobile Radar (《汽車雷達無線電管理暫行規定》) promulgated by the MIIT on November 16, 2021 and effective from March 1, 2022, the automobile radar equipment manufactured or imported for domestic sale or use shall comply with the RF Technical Requirements for Automobile Radar and apply for the radio type approval of the radio transmitting equipment from the national radio administration agency.

REGULATIONS ON INTERNET INFORMATION SECURITY, PRIVACY PROTECTION AND AUTOMOTIVE DATA SECURITY

Internet Information Security

The Decision on Maintaining Internet Security (《關於維護互聯網安全的決定》), promulgated by the NPCSC on December 28, 2000, and amended in August 2009, stipulates that the following activities carried out through the Internet will be subject to criminal penalties if they constitute crimes under Chinese law: (i) hacking into computers or systems of strategic importance; (ii) deliberately making and spreading destructive programs such as computer viruses to attack computer systems and communication networks, causing damage to computer systems and communication networks; (iii) unauthorized interruption of computer network or communication services in violation of laws and regulations; (iv) divulging state secrets; (v) dissemination of false commercial information; or (vi) using the Internet to infringe intellectual property rights.

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016 and effective as of June 1, 2017, network owners, administrators, and network service providers are required to undertake a variety of cybersecurity protection obligations as network operators, including but not limited to: (i) Fulfilling the security protection responsibilities stipulated in the network security level protection system, including formulating internal security management rules and operational guidelines, designating the person responsible for network security and his/her duties, adopting technical measures for preventing computer viruses, network attacks, network intrusion and other behaviors that jeopardize network security, and adopting technical measures for monitoring and recording the network operation status and network security events; (ii) formulating contingency plans to respond to and address security risks in a timely manner, activating contingency plans in the event of a cybersecurity threat, taking appropriate remedial measures, and reporting to the regulator; and (iii) following the principles of legality, legitimacy and necessity, disclosing the rules of collection and use, expressing the purpose, method and scope of collection and use of information, and obtaining the consent of the collected person when collecting and using personal information.

According to the Measures for the Administration of Information Security Level Protection (《信息安全等級保護管理辦法》) promulgated by the MPS, the National Administration of State Secrets Protection, the State Cryptography Administration Office of Security Commercial Code Administration (OSCCA), and the Informatization Work Office of the State Council (revoked) on June 22, 2007, and effective on the same day, the units operating and using information systems should fulfill the responsibility of protecting information systems at multiple levels, and the information system at or above the second level that has been operated (in operation) shall, within 30 days after the security protection level is determined, be filed by the operator or user with the public security organ at or above the municipal level where it is located. New information systems above the second level, shall, within 30 days after its operation, be filed by the operator or user with the public security organ at or above the municipal level where it is located.

The Data Security Law, promulgated by the NPCSC on June 10, 2021, and effective on September 1, 2021, provides that organizations and individuals carrying out data activities shall establish a system for the classification and protection of data, and formulate a catalog of important data in order to strengthen the protection of important data. Processors of important data shall specify the person in charge of data security and the management organization, and implement the responsibility for data security protection. The relevant departments will formulate measures for the cross-border flow of important data. If any company violates the Data Security Law by providing important data outside the country, the company may be subject to administrative penalties, including penalties, fines and/or suspension of the relevant business or revocation of the business license. In addition, the Data Security Law imposes national security reviews on data activities that affect or may affect national security and imposes export controls on certain data and information.

According to the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) promulgated by the State Council on July 30, 2021 and effective from September 1, 2021, critical information infrastructure refers to the information infrastructure and information systems in the public communication and information services, energy, transportation, water conservancy, finance, public services, e-government and other important industries and fields, as well as other critical information infrastructure and information systems which may seriously endanger national security, national livelihood and public interest once they are damaged, lose their functions or their data is leaked. According to the Regulations on the Security Protection of Critical Information Infrastructure, the relevant government departments are responsible for formulating rules for the determination of critical information infrastructure with reference to a number of factors stipulated in the Regulations, and for further determining the critical information infrastructure operators in the relevant industries on the basis of such rules. The relevant authorities shall also notify the operator that it is recognized as a critical information infrastructure operator. In addition, the Regulations on the Security Protection of Critical Information Infrastructure have clear requirements on the responsibilities and obligations of operators: (i) the operator shall establish and improve the network security protection system and responsibility system, and guarantee the investment of human, financial and material resources; (ii) the operator shall set up a specialized security management organization, and conduct security background checks on the person in charge of the specialized security management organization and key position holders; (iii) the operator shall guarantee the operating funds of the specialized security management organization, equip it with corresponding personnel, and decisions related to network security and informatization shall be carried out with the participation of personnel of the specialized security management organization; (iv) the operators shall give priority to the procurement of secure and trusted network products and services; and the procurement of network products and services that may affect national security shall be subject to security review in accordance with national network security regulations. The Regulation on the Security Protection of Critical Information Infrastructure has also specified the penalties, such as fines, for the failure of critical information infrastructure operators to fulfill their security protection responsibilities.

According to the Measures for Cybersecurity Review (《網絡安全審查辦法》) jointly promulgated by the Cyberspace Administration of China (the "**CAC**"), the NDRC, the MIIT, the MPS, the Ministry of State Security, the MOF, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration on December 28, 2021 and effective on February 15, 2022, there are two triggering mechanisms for cybersecurity review: (a) declaration for review initiated by enterprises: applicable to (i) procurement of network products and services by operators of critical information infrastructures; and (ii) listing abroad by operators of network platforms holding personal information of more than one million users; and (b) review initiated by the regulatory authorities: For network products and services and data-processing activities that members of the working mechanism for network security review believe affect or may affect national security, the Network Security Review Office shall report to the Central Cyberspace Affairs Commission for approval before initiating a network security review.

According to the Regulations on the Administration of Network Data Security (Draft for Public Comments) (《網絡數據安全管理條例(徵求意見稿)》) promulgated by the CAC on November 14, 2021, data processors shall be responsible for the security of the data they process, fulfill their obligations to protect the security of the data, accept governmental and social supervision, and assume social responsibility. Data processors shall, in accordance with the provisions of relevant laws and administrative regulations and the mandatory requirements of national standards, establish and improve data security management systems and technical protection mechanisms.

Pursuant to the Measures for Security Evaluation for Transfer of Data to Foreign Countries (《數據出境安全評估辦法》) issued by the CAC on July 7, 2022 and coming into effect on September 1, 2022, data processors providing data abroad shall, in any of the following circumstances, apply for security evaluation for transfer of data to foreign countries with the CAC through their local provincial-level Internet information department: (i) when a data processor transfers important data to overseas recipients; (ii) when a critical information infrastructure operator (CIIO), or a data processor who handles personal information of more than one million individuals transfers personal information to overseas recipients; (iii) when a data processor, who has transferred personal information of more than 100,000 individuals, or sensitive personal information of more than 10,000 individuals to overseas recipients since January 1 of the previous year, transfers personal information to overseas recipients; and (iv) other circumstances under which security evaluation of cross-border data transfers is required as prescribed by the CAC.

On December 8, 2022, the MIIT issued the Measures for the Management of Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. The purpose of the Measures is to regulate data processing activities in the field of industry and information technology carried out by the relevant data processors in China. It applies to industrial enterprises, software and information technology service enterprises, and enterprises that have obtained a license to operate telecommunications services, which decide on their own

the purpose and manner of processing in their data processing activities. Data processing activities include, but are not limited to, activities such as data collection, storage, use, processing, transmission, provision, and disclosure. According to the Measures, data in the field of industry and information technology include industrial data, telecommunications data and radio data generated and collected in the course of operating related services. It stipulates that data in the field of industrial and information technology is classified into three levels, namely general data, important data or core data. Besides, it has also specified the specific requirements for the classification and hierarchical management of data and data protection measures, including the collection, storage, processing, transmission, disclosure and destruction of data by data processors in the field of industrial and information technology. In particular, important data and core data processors shall file important data and core data catalogs with the relevant authorities. The filing content includes, but is not limited to, the basic information on the data category, level, scale, purpose and mode of processing, scope of use, responsible parties, external sharing, cross-border transmission, and security protection measures. If the scale of important data and core data (number of data entries or total amount of storage, etc.) changes by more than 30%, or if the content of other filings changes, the data processor shall update the filings with the relevant authorities within three months of the change. In addition, it has set out the data security requirements for cross-border and data transmission by data processors. If a data processor needs to transfer data due to merger, reorganization, bankruptcy or other reasons, it shall specify the data transfer plan and notify the affected users. In addition, it states that the legal representative or principal officer of the data processor is the first person responsible for data security, and the members of the leadership team in charge of data security are directly responsible for data processing activities.

According to the Guidelines for Declaration for Security Evaluation for Transfer of Data to Foreign Countries (Second Edition) (《數據出境安全評估申報指南(第二版)》) and the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》) promulgated by the CAC on March 22, 2024, which came into effect on the same day, data processors providing data abroad shall, in any of the following circumstances, apply for security evaluation for transfer of data to foreign countries: (i) when a data processor of critical information infrastructures transfers personal information or important data to overseas recipients; (ii) when data processors other than operators of critical information infrastructures provide important data outside the country, or provide more than one million people's personal information (excluding sensitive personal information) or more than 10,000 people's sensitive personal information outside the country cumulatively since January 1 of the current year. Data processors other than operators of critical information infrastructures that have cumulatively provided the personal information (excluding sensitive personal information) of more than 100,000 people and less than 1 million people or the sensitive personal information of less than 10,000 people outside the country since January 1 of the current year shall, in accordance with the law, enter into a standard contract for the export of personal information with the overseas recipients or pass the personal information protection certification.

Privacy Protection

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, the personal information of natural persons shall be protected by law. Any organization or individual that needs to obtain personal information of others shall obtain it in accordance with the law and ensure the security of the information, and shall not unlawfully collect, use, process or transmit the personal information of others, or unlawfully trade in, provide or disclose the personal information of others.

The Law of the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which was promulgated by the NPCSC on August 20, 2021 and became effective on November 1, 2021, consolidates separate provisions on personal information rights and privacy protection. The Personal Information Protection Law aims to protect the personal information rights and interests, regulate the handling of personal information, safeguard the free flow of personal information in an orderly manner in accordance with the law, and promote the rational use of personal information. Personal information, as defined in the Personal Information Protection Law, refers to all kinds of information related to an identified or identifiable natural person recorded electronically or by other means, excluding the information that has been anonymized. The Personal Information Protection Law stipulates the circumstances in which a processor of personal information may process personal information, including, but not limited to, when the consent of the individual concerned has been obtained and when it is necessary for the conclusion or performance of a contract to which the individual is a party. It has also set out a number of specific rules on the obligations of processors of personal information, such as informing individuals of the purpose and method of processing, and the obligations of third parties who obtain personal information through co-processing or entrustment.

According to the Decision on Strengthening the Protection of Network Information (《關於加強網絡信息保護的決定》) promulgated by the NPCSC on December 28, 2012 and the Provisions on the Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》) promulgated by the MIIT on July 16, 2013, which came into effect on September 1, 2013, as well as the Cybersecurity Law (《網絡安全法》), any collection and use of the user's personal information shall be agreed by both parties, shall comply with the principles of legality, legitimacy and necessity, and shall be limited to the specified purpose, method and scope. Internet information service providers shall also keep such information confidential, and are prohibited from divulging, altering or damaging, selling or providing such information to others. Internet information service providers shall take technical and other measures to prevent unauthorized disclosure, destruction or loss of collected personal information. In the event of actual or potential leakage of the user's personal information, the Internet information service provider shall immediately take remedial measures and promptly report to the relevant government departments and notify the user in accordance with the regulations. Any Internet information service provider that violates these laws and regulations may be subject to warnings, fines, confiscation of illegal income, revocation of licenses, revocation of records, closure of websites, and even criminal liability.

Pursuant to the Circular of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on the Punishment of Criminal Activities Infringing on Citizens' Personal Information in accordance with the Law (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》) promulgated on April 23, 2013, and the Interpretation by the Supreme People's Court and the Supreme People's Procuratorate of Several Issues Concerning the Application of Laws to the Handling of Criminal Cases of Infringing on Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) promulgated on May 8, 2017 and effective on June 1, 2017, the following activities may constitute crimes of infringement of citizens' personal information: (i) providing citizens' personal information to specific persons or publishing citizens' personal information on the Internet, etc., in violation of the relevant regulations; (ii) providing others with lawfully collected information about citizens without their consent (unless the information has been processed in such a way as to make it impossible to identify a specific individual and cannot be recovered); (iii) collecting citizens' personal information in violation of relevant regulations or provisions in the performance of duties or the provision of services; or (iv) collecting citizens' personal information in violation of relevant regulations through purchasing, receiving, or exchanging.

Automotive Data Security

On August 16, 2021, the CAC, the NDRC, the MPS, the MIIT and the MOT jointly promulgated the Certain Provisions on the Management of Automotive Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) (the "**Automotive Data Security Provisions**"), which came into effect on October 1, 2021, and is intended to regulate the collection, storage, use, processing, transmission, provision, and disclosure of personal information and critical data generated by automobile designers, manufacturers, and service providers throughout the automobile life cycle. The relevant automotive data processors, including automobile manufacturers, parts and software providers, dealers, repair suppliers and travel service companies, are required to process personal information and critical data in accordance with the applicable laws during the design, manufacture, sale, operation, maintenance and management of automobiles. Processing of personal information by automobile data processors shall be conducted with the consent of the individual or in accordance with other circumstances stipulated by laws and regulations. The State encourages the reasonable and effective utilization of automotive data in accordance with the law, and advocates that automotive data processors adhere to: (i) the principle of in-vehicle processing, and avoid providing automotive data outside the vehicle unless necessary; (ii) the principle of non-collection by default, and set the state of non-collection by default each time unless otherwise set by the driver on his/her own initiative; (iii) the principle of applying the range of accuracy, and determine the coverage and resolution of cameras, radar, etc., based on the requirements of the provided functional service for data accuracy; (iv) the principle of desensitized processing, and anonymize and de-identify the information whenever possible. According to the Automotive Data Security Provisions, personal information and key data involving automobiles are in principle stored within the country, and if they need to be made available outside the country, the competent national Internet information department will conduct a cross-border data security assessment in conjunction with the relevant departments of the State Council. When processing critical data, automotive data processors shall conduct risk assessments in accordance with the regulations and submit risk assessment reports to the relevant provincial authorities.

The MIIT issued the Notice of the Ministry of Industry and Information Technology on Strengthening Network Security and Data Security of Telematics (《工業和信息化部關於加強車聯網網絡安全和數據安全工作的通知》) on September 15, 2021. Accordingly, all manufacturers of intelligent connected vehicles and operators of Telematics service platforms shall establish a network security and data security management system, strengthen security protection, monitor and prevent network security risks and threats, strengthen the security protection capability of Telematics network facilities and network systems, safeguard Telematics communication security, carry out Telematics security monitoring and early warning, enhance the Telematics security emergency response, and promote the Telematics network security protection grading and filing work. The MIIT promulgated the Guidelines for the Construction of Network Security and Data Security Standard System for Telematics (《車聯網網絡安全和數據安全標準體系建設指南》) on February 25, 2022, which clearly defines the security standards and requirements covering the terminal and facility network security, network communication security, data security, application service security, and security guarantee and support.

The National Information Security Standardization Technical Committee issued the Security Guidelines for the Processing of Automotive Captured Data (《汽車採集數據處理安全指南》) on October 8, 2021. The Guidelines establish security requirements for processing activities such as transmission, storage and transfer to foreign countries of data collected by vehicles.

REGULATION ON PRODUCT LIABILITY

According to the Civil Code of the PRC, if a defect of a product causes damage to another person, the infringed person may claim compensation against the manufacturer or the seller of the product. If the infringer knows that the product is defective and still produces or sells it, or fails to take effective remedial measures in accordance with the provisions of the Civil Code of the People's Republic of China, resulting in the death of another person or serious damage to the health of another person, the infringed person shall be entitled to claim corresponding punitive damages. If a product is defective due to the fault of a third party, such as a transporter or warehouseman, and causes damage to another person, the producer or seller of the product shall have the right to recover compensation from the third party after making compensation to the infringed person.

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) promulgated by the NPCSC on February 22, 1993 and most recently amended on December 29, 2018, it is prohibited to manufacture or sell products that do not comply with the standards and requirements for safeguarding human health and the safety of persons and property. The products must not present any unreasonable risk of endangering the safety of persons and property. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller. Any producer or seller who produces or sells substandard products shall be ordered to stop production or sale, the products illegally produced or sold shall be confiscated, and a fine shall be imposed; If there are any illegal gains, the illegal gains shall be confiscated concurrently; If the circumstances are serious, the business license shall be revoked.

REGULATIONS ON THE IMPORT AND EXPORT OF GOODS

In accordance with the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) promulgated by the NPCSC on May 12, 1994 and amended and effective on April 6, 2004, November 7, 2016 and December 30, 2022 respectively, and the Notice on Matters Relating to the Filing of Consignees and Consignors of Imported and Exported Goods (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the People's Republic of China on January 3, 2023 and effective on the same date, the consignee or consignor of imported or exported goods applying for filing should obtain the qualification of the market entity, but no filing for foreign trade operators is required.

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》) promulgated by the NPCSC on January 22, 1987, and amended on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017, and April 29, 2021, respectively, the consignee of imported goods, the consignor of exported goods, and the owner of inbound and outbound goods are the taxpayers of customs duties. For the imported and exported goods, unless otherwise provided for, customs declaration and tax payment procedures may be completed by the consignee or consignor of the imported and exported goods, or the consignee or consignor of import and export goods may entrust a customs declaration enterprise to complete the customs declaration and tax payment procedures. The consignees and consignors for imported or exported goods and the customs brokers engaged in customs declaration shall be filed with the customs in accordance with the law. Customs declaration units refer to the consignee or consignor of the imported and exported goods and the customs declaration enterprises filed with the customs in accordance with the Regulations of the People's Republic of China on the Administration of the Record of Customs Declaration Units (《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 People's Republic of China on November 19, 2021 and becoming effective as of January 1, 2022. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities.

Pursuant to the Regulations of the People's Republic of China on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) ("**Regulations on the Administration of Import and Export of Goods**") promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, which came into effect on May 1, 2024, enterprises engaged in the trade activities of importing goods into the territory of the People's Republic of China or exporting goods outside of China must comply with the Regulations on the Administration of Import and Export of Goods. Goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

The Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) (the "**Export Control Law**") came into force on December 1, 2020. The Export Control Law is China's first comprehensive and integrated export control law, which sets out provisions for the export control of dual-use goods, military supplies, nuclear energy products, goods related to the protection of national security and interests and other commodities, science and technology, services and goods, as well as fulfilling the responsibilities related to the international prohibition of nuclear proliferation.

REGULATIONS ON INTELLECTUAL PROPERTY

Copyright

On September 7, 1990, the NPCSC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**"), which was effective on June 1, 1991 and amended on October 27, 2001, February 26, 2010 and November 11, 2020, and the latest amendment took effect on June 1, 2021. The amended Copyright Law extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the Copyright Protection Centre of China. According to the Copyright Law, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. An infringer of the copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners and compensating the loss of copyright owner. Infringers of copyright may also be subject to fines and/or administrative or criminal liabilities in severe situations.

In order to further implement the Regulations on Computer Software Protection (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991 and amended on December 20, 2001 and January 30, 2013, respectively, the National Copyright Administration issued the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) on February 20, 2002, which specifies detailed procedures and requirements with respect to the registration of software copyrights.

Under the Issuance of the Regulations on the Protection of Layout-Designs of Integrated Circuits (《集成電路佈圖設計保護條例》) (the "**Regulations on Integrated Circuits**"), promulgated by the State Council on April 2, 2001 and coming into force on October 1, 2001, any layout-design created by a Chinese natural person, legal person or other organizations shall be eligible for the exclusive right of layout-design in accordance with Regulations on Integrated Circuits. Any layout-design which is to be protected shall be original in the sense that the layout-design is the result of the creator's own intellectual effort, and it is not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of its creation. The intellectual property administration department of the State Council is responsible for the relevant administrative work concerning the exclusive right of layout-design in accordance with these regulations.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the NPCSC on August 23, 1982, and amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, respectively, the Trademark Office of the State Administration for Industry and Commerce Authority (the "**SAIC**") under the State Council is responsible for the registration and administration of trademarks in China. The SAIC under the State Council has established a Trademark Review and Adjudication Board for resolving trademark disputes. Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within twelve months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered. Renewed registrations are valid for ten years. On April 29, 2014, the State Council issued the revised Implementing Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which specifies the requirements of applying for trademark registration and renewal.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), promulgated by the NPCSC on March 12, 1984 and amended on September 4, 1992, August 25, 2000, December 27, 2008, and October 17, 2020, respectively, with the latest amendment taking effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "**Implementation Rules of the Patent Law**"), promulgated by the State Council on June 15, 2001 and revised on December 28, 2002, January 9, 2010 and December 11, 2023, respectively, the patent administrative department under the State Council is responsible for the administration of patent-related work nationwide and the patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within the respective administrative areas. The Patent Law and Implementation Rules of the Patent Law provide three types of patents, namely "inventions," "utility models" and "designs". Invention patents are valid for twenty years, utility model patents are valid for ten years, and since June 1, 2021, the validation period for design patents whose application date is after June 1, 2021 has been extended to fifteen years in each case from the date of application. The Chinese patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, utility model or design, a patent will be granted to the person who files the application first. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third Parties must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the unauthorized use constitutes an infringement on the patent rights.

Domain Names

On August 24, 2017, the MIIT promulgated the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (the "**Domain Name Measures**"), which became effective on November 1, 2017. The Domain Name Measures regulate the registration of domain names, such as China's national top-level domain name ".CN." The China Internet Network Information Center (the "**CNNIC**"), issued the Administrative Regulations for Country Code Top-Level Domain Name Registration and Country Code Top-Level Dispute Resolutions Rules (《關於發佈並實施<國家頂級域名註冊實施細則>系列規定的公告》) on June 18, 2019, pursuant to which the CNNIC can authorize a domain name dispute resolution institution to decide domain name related disputes.

REGULATIONS ON ENVIRONMENTAL PROTECTION AND FIRE PREVENTION

Environment Impact Assessment

Pursuant to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) promulgated by the NPCSC on December 26, 1989 and amended on April 24, 2014, the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) (the "**Construction Environmental Protection Rules**"), promulgated by the State Council on November 29, 1998 and amended on July 16, 2017, and other relevant environmental laws and regulations, enterprises which plan to construct projects shall submit or fill in assessment report, assessment form, or registration form on the environmental impact of such projects to relevant environmental protection administrative authority for approval or recording. Construction entities may entrust a technical institution to conduct an environmental impact assessment of its construction projects and prepare the assessment reports and assessment forms on the environmental impact of construction projects. If the construction entities have the technical capability of environmental impact assessment, it may carry out the above activities by itself.

Pursuant to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) promulgated by the NPCSC on October 28, 2002 and amended on July 2, 2016 and December 29, 2018 respectively, for any construction projects have an impact on the environment, the construction entity is required to produce either a report, or a form, or a registration form on such environmental impact depending on the seriousness of the impact that may be exerted on the environment.

The Construction Environmental Protection Rules also provides that after the completion of a construction project for which the environmental impact report or the environmental impact form has been prepared, the construction entity shall, in accordance with the standards and procedures established by the competent department of environmental protection administration under the State Council, conduct acceptance checks of the environmental protection facilities and prepare an acceptance report, and announce the acceptance inspection report according to law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Where the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

Completion and Acceptance

The Interim Measures for Environmental Protection Acceptance upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures stipulates the procedures and standards for the construction entity to make independent environmental protection acceptance upon the completion of construction projects.

Pollutant Discharge

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on December 20, 2019, China implements key management, simplified management and registration management of pollutant discharge permits based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment, and only pollutant discharge entities that are subject to registration management do not need to apply for a pollutant discharge permit.

Fire Protection Design Approval and Filing

The Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) (the "**Fire Prevention Law**") was adopted on April 29, 1998 and latest amended on April 29, 2021. According to the Fire Prevention Law and other relevant laws and regulations of the PRC, the Ministry of Emergency Management under the State Council and its local counterparts at or above county level shall monitor and administer the fire prevention affairs. The Fire and Rescue Department of the People's Government are responsible for implementation. The Fire Prevention Law provides that the fire protection design or construction of construction projects shall comply with the national technical standards for fire protection. Pursuant to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and amended on August 21, 2023, special construction projects as defined under such Interim Provisions shall be subject to fire protection design review and fire protection final inspection, construction projects other than such special construction projects shall be submitted to the competent authorities for record-filing of project fire protection design and acceptance.

REGULATIONS ON PRODUCTION SAFETY

Pursuant to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) promulgated on June 29, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021, a business entity shall establish, improve and implement a production safety responsibility system and production safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and

personnel in production safety, and improve production safety conditions. Business entities shall provide their employees with production safety education and training to ensure that their employees have necessary production safety knowledge, are familiar with the relevant production safety policies and rules and safe operating procedures, possess the safe operating skills for their respective posts, know the emergency response measures for accidents, and are informed of their rights and obligations in production safety. Employees failing the production safety education and training shall not take their posts.

REGULATIONS ON REAL ESTATE

Pursuant to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) promulgated by the NPCSC on June 25, 1986, latest amended on August 26, 2019 and taking effect on January 1, 2020, China applies a system of control over the purposes of use of land, including land for agriculture, land for construction and unused land. All entities and individuals shall use land only for the purposes determined in the overall plans for land utilization. Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration. The legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals.

Pursuant to the Interim Regulations Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas (2020 Edition) (《城鎮國有土地使用權出讓和轉讓暫行條例(2020修訂)》) promulgated by the State Council on November 29, 2020, China implements a system of assignment and transfer of the right to use state-owned land. A land user shall pay land assignment fee to the State as consideration for the assignment of the land use right within a certain term. A land user who has obtained the land use right may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use. Under the Interim Regulations Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas, the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. Land users shall pay the land assignment fee in accordance with the land assignment contracts. After paying the total amount of the assignment fee, the land user shall go through the registration thereof, obtain the certificate for land use to evidence the acquisition of the land use right.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, taking effect on March 1, 2015 and amended on March 24, 2019 and March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources on January 1, 2016 and amended on July 24, 2019, provide that, among other things, the State implements a uniform real estate registration system and real estate registration shall follow the principles of strict administration, stability, continuity, and convenience for the masses.

Pursuant to the Administrative Measures for Commodity House Leasing (《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 commodity house lease shall complete the lease registration with the competent construction (real-estate) departments of the municipalities directly under the Central Government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties shall order to make corrections within a prescribed time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on entities which fail to rectify within the specified time limit.

REGULATIONS ON OVERSEAS DIRECT INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》) was promulgated by the Ministry of Commerce on September 6, 2014 and took effect on October 6, 2014. As defined in the Measures for the Administration of Overseas Investment, overseas investment refers to the act of an enterprise legally established in China to own a non-financial enterprise or acquire ownership, control, management and other interests in an established non-financial enterprise outside China through new establishment, mergers and acquisitions, etc. Where an enterprise's overseas investment involves sensitive countries and regions or sensitive industries, it shall be subject to examination and approval. Overseas investment of enterprises under other circumstances shall be subject to record. Local enterprises shall be reported to the provincial administrative department of commerce for record. Qualified enterprises will be recorded and awarded the "Certificate of Overseas Investment of Enterprises" by the provincial commerce authorities.

On August 4, 2017, the NDRC, the MOFCOM, the PBOC and the Ministry of Foreign Affairs issued the Opinions on Further Guiding and Regulating Direction of Overseas Investment (《關於進一步引導和規範境外投資方向的指導意見》) (the "**Opinions**") for the purposes of providing further guidance and regulation on overseas investments. The Opinions sets out, among others, certain categories of overseas investments that should be "encouraged," "restricted" or "prohibited."

The NDRC promulgated the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) (the "**Measures**") on December 26, 2017, which took effect on March 1, 2018. Under the Measures, Sensitive overseas investment projects conducted directly by Chinese enterprises or through overseas enterprises controlled by them shall be approved by the NDRC while non-sensitive overseas investment projects conducted directly by Chinese enterprises shall be reported to the NDRC or its local branches at the provincial level for filing. For large-scale non-sensitive overseas investment projects with an investment amount of USD300 million or more conducted by Chinese enterprises through overseas enterprises controlled by them, a report on the details of the large-scale non-sensitive projects shall be submitted to the NDRC before project implementation. Overseas investments conducted by Chinese residents through overseas enterprises controlled by them shall be

analogically governed by the Measures. On January 31, 2018, the NDRC issued the Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), which came into effect on March 1, 2018. According to this catalogue, enterprises are prohibited from making overseas investments in several industries, including but not limited to real estate and hotels.

REGULATIONS ON FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the Regulations of the People's Republic of China on Foreign Exchange (《中華人民共和國外匯管理條例》), which took effect on April 1, 1996, amended on January 14, 1997 and August 5, 2008. The foreign exchange expenditure under the current items shall be paid by an institution with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating the foreign exchange sale or settlement business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. An institution or individual within the territory of China shall apply for registration in accordance with the provisions of the foreign exchange administrative department of the State Council before making overseas direct investment or engaging in overseas issuance and trading of securities and derivatives.

On November 19, 2012, the SAFE issued the Circular on Further Improvement and Adjustment of the Foreign Exchange Control Policy over Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) ("**SAFE Circular 59**"), which took effect on December 17, 2012, amended on May 4, 2015 and October 10, 2018 and abolished in part on December 30, 2019. SAFE Circular 59 aims to simplify the current foreign exchange procedure, and facilitate investment and trade. Under Circular 59, the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account, guarantee account), reinvestment of Renminbi proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces. In February 2015, the SAFE issued the Circular on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (which was part abolished in in December 2019), prescribed that banks instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through banks.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the "**SAFE Document 21**"), which took effect on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Document 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors

in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

Pursuant to the Notice on Issues Related to Foreign Exchange Administration for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, a domestic company shall, within 15 business days upon the completion of overseas listing and issuance, register the overseas listing with the foreign exchange administration authority in the place of establishment registration. The proceeds raised from the overseas listing of a domestic company may be transferred back to its territory or deposited overseas, and the use of the proceeds shall be consistent with the relevant contents listed in the document and other public disclosure documents.

A foreign-funded enterprise may, based on its operating, voluntarily settle the foreign exchange capital, pursuant to the Circular of the State Administration of Foreign Exchange Concerning Reform of the Administrative Approaches to Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), which was promulgated on March 30, 2015, validated on June 1, 2015 and abolished in part on December 30, 2019. Foreign-invested enterprises' capital and RMB funds from their settlement shall not be used for the following purposes: (i) payments beyond their business scope or prohibited under the laws and regulations of the State; (ii) direct or indirect securities investments; (iii) release of entrusted loans (unless permitted by the business scope), repayments of inter-enterprise borrowings (including third-party advances), and repayments of RMB bank loans already refinanced to any third party; and (iv) payment of expenses related to the purchase of real estate not for self-use, except for investing in real estate enterprises.

On October 23, 2019, SAFE promulgated the Circular on Further Facilitating Cross-Board Trade and Investment (《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》), which took effect on the same date (except for Article 8.2, which took effect on January 1, 2020) and amended on December 4, 2023. The circular canceled restrictions on domestic equity investments made with capital funds by non-foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in pilot areas are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to banks in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

REGULATIONS ON SHARE INCENTIVE PLANS

In February 2012, SAFE promulgated the Circular on Foreign Exchange Administration for PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (Huifa [2012] No. 7) (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》(匯發[2012]7號)) (the "**SAFE Circular 7**"). According to the SAFE Circular 7 and other relevant rules and regulations, a domestic director, supervisor or senior management or employees who has employment or labor relationship with a company listed overseas, and participates in a share incentive plan of the company shall be subject to the foreign exchange registration procedure as required in the SAFE Circular 7. However, H-share direct listings by domestic companies do not fall under the category of 'overseas listed companies' as defined in SAFE Circular 7. Therefore, the provisions of the Notice of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration for Overseas Listings (Huifa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) (the "**SAFE Circular 54**") shall apply. Under the SAFE Circular 54, after a domestic company gets listed overseas, if any of its domestic shareholders intends to increase or decrease overseas shares, the domestic shareholder shall handle overseas shareholding registration formalities with the local foreign exchange authority upon the strength of the related materials within twenty working days prior to the intended share increase or decrease. After verifying the above-mentioned materials, the local foreign exchange authority shall conduct registration for the domestic company in the system, print a business registration certificate through the system, affix business seal thereto and deliver it to the domestic shareholder. The domestic shareholder shall handle the account opening and relevant affairs for increase or decrease of shares of the company listed overseas upon the strength of the registration certificate.

REGULATIONS ON LABOR FORCE AND SOCIAL SECURITY

Labor Force

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the NPCSC on July 5, 1994, taking effect on January 1, 1995, and amended on August 27, 2009 and December 29, 2018, respectively, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the NPCSC on June 29, 2007, taking effect on January 1, 2008, and amended on December 28, 2012 and taking effect on July 1, 2013, and the Regulations for the Implementation of the Labor Contract Law of the People's Republic of China (《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, when establishing an employment relationship, the employer and the laborer shall sign a written labor contract. In addition, wages shall not be lower than the local standards on minimum wages. The employer shall establish a labor safety and health system, strictly implement national labor safety and health regulations and standards, educate laborers on labor safety and health, provide labor safety and sanitation conditions meeting State stipulations and necessary articles of labor protection, and carry out regular health examination for laborers engaged in work with occupational hazards.

Social Security

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") promulgated by the NPCSC on October 28, 2010, taking effect on July 1, 2011, and amended on December 29, 2018, the Interim Regulations on the 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, and amended on March 24, 2019, and the Housing Provident Fund Management Regulations (《住房公積金管理條例》) (the "**Housing Provident Fund Management Regulations**") promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, the employer shall, within 30 days from the date of employment, open social insurance accounts and housing provident fund accounts, and shall also pay for its employees basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and contributions to other social insurance programs, as well as housing provident fund. If the employer fails to pay the aforementioned contributions, it will be subject to a fine and ordered to make up the shortfall within a specified period.

REGULATIONS ON TAXATION

Enterprise Income Tax (the "EIT")

Pursuant to the EIT Law promulgated by the NPCSC on March 16, 2007, taking effect on January 1, 2008, and amended on February 24, 2017 and December 29, 2018, respectively, and the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《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, taking effect on January 1, 2008 and amended on April 23, 2019, an enterprise established in accordance with law in China or established in accordance with the laws of foreign countries (regions) but is actually under the management of organization located in China shall be considered a resident enterprise. A resident enterprise shall be subject to EIT at a tax rate of 25% based on its income derived from PRC and foreign sources. China applies preferential EIT policies to industries or projects that are greatly supported or encouraged for development. State-supported high-tech enterprises can enjoy a reduced EIT rate of 15%. Pursuant to Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households (《國税局關於落實支持小型微利企業和個體工商戶發展所得税優惠政策有關事項的公告》) promulgated by State Taxation Administration on April 7, 2021, taking effect on January 1, 2021, the annual taxable income of a small low-profit enterprise that is not more than RMB one million shall be included in its taxable income at the reduced rate of 12.5%, with the applicable enterprise income tax rate of 20%.

VAT

Pursuant to the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, and latest amended on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值税暫行條例實施細則》) promulgated by the Ministry of Finance and the SAT on December 25, 1993, latest amended on October 28, 2011, and taking effect on November 1, 2011, (collectively, the "**VAT Law**"), any enterprise or individual engaged in the sale of goods, provision of processing, repair and replacement services, and import of goods within the territory of PRC shall pay VAT. On November 19, 2017, the State Council issued the Decision to Abolish the Interim Regulation of the People's Republic of China on Business Tax and Amend the Interim Regulation of the People's Republic of China on Value Added Tax (《關於廢止<中華人民共和國營業税暫行條例>和修改<中華人民共和國增值税暫行條例>的決定》) (the "**Decree No. 691**"). Any enterprise or individual engaged in the sale of goods, provision of processing, repair and replacement services, sales of services, intangible assets and real and the import of goods within the territory of PRC shall be VAT taxpayers and shall pay the VAT pursuant to the VAT Law and Decree No. 691. Generally, the applicable VAT rates are simplified to 17%, 11%, 6% and 0%, and it is 3% for small-sized taxpayers. The Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting the VAT Rate (《財政部、税務總局關於調整增值税税率的通知》) was promulgated on April 4, 2018 and took effect on May 1, 2018. The former VAT rates of 17% and 11% have been adjusted to 16% and 10% respectively. On March 20, 2019, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Policies Concerning Deepening Value Added Tax Reform (《關於深化增值税改革有關政策的公告》) (the "**Announcement 39**"), which came into force on April 1, 2019. Pursuant to the Announcement 39, the VAT rate applicable to taxable sales or imports of goods has been adjusted from 16% to 13%, and the applicable VAT rate of 10% has been adjusted to 9%.

Dividend Withholding Tax

Pursuant to the EIT Law and related implementation regulations, dividends declared to non-PRC resident investors who do not have an establishment or place of business in China, or who have such an establishment or place of business but whose relevant income has no actual connection with that establishment or place of business, are generally subject to a 10% income tax rate, as long as the dividends are derived from sources within China.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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》) (the "**Double Taxation Avoidance Arrangement**") and other applicable laws of the People's Republic of China, if a Hong Kong resident enterprise is recognized by the competent tax authorities of the People's Republic of China as meeting the relevant conditions and requirements of the aforementioned Double Taxation Avoidance Arrangement and other applicable laws, the 10% withholding tax on dividends received by the

Hong Kong resident enterprise from a resident enterprise of the People's Republic of China can be reduced to 5%. However, pursuant to the Notice of the State Administration of Taxation on Issues Concerning the Implementation of the Dividend Clause of 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》) issued by the SAT on February 20, 2009, if the relevant Chinese tax authorities determine, at their discretion, that the company enjoys the reduced income tax rate mainly due to its tax-driven structure or arrangement, the Chinese tax authorities may adjust the preferential tax treatment. According to the Announcement of the State Administration of Taxation on Issues Concerning "Beneficial Owners" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》) issued by the SAT on February 3, 2018, and implemented on April 1, 2018, when determining the "beneficial owner" identification of an applicant for tax treaty benefits related to dividends, interest, or royalties, several factors, including but not limited to (i) whether the applicant is obliged to pay to residents of a third country (region) 50% of the income or more within 12 months after receipt of the income; (ii) whether the business activities conducted by the applicant do not constitute substantive business activities; and (iii) the other contracting country (region) does not impose any tax on or exempts tax from the relevant income, or imposes tax on the relevant income but the actual tax rate is extremely low, will be considered, and a comprehensive analysis will be conducted in light of the actual circumstances of the specific cases. This announcement stipulates further that pursuant to the Announcement of State Administration of Taxation on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements (《國家税務總局關於發布<非居民納税人享受協定待遇管理辦法>的公告》) issued by the SAT on October 14, 2019 and taking effect on January 1, 2020, where non-resident taxpayers enjoy the benefits under the articles on dividends, interest and royalties of the treaties, the relevant materials proving the identity as "beneficial owners" shall be retained.

Regulations on H Share Full Circulation

"Full circulation" means listing and circulation of domestic unlisted shares of H-share companies (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders) on the stock exchanges. On August 10, 2023, the CSRC issued Guidelines for the Application for the "Full Circulation" of the Domestic Unlisted Shares of H-Share Companies (《H股公司境內未上市股份申請"全流通"業務指引(2023修正)》) (the "**Guidelines for the Full Circulation**").

Pursuant to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may, under the premise of complying with the relevant laws and regulations and the requirements of the policies on management of state-owned assets, foreign investment, and industry supervision and administration, among others, determine the amount and proportion of shares whose circulation is applied for on their own through consultation, and entrust H-share companies to file with the CSRC. A domestic unlisted company limited by shares may file with the CSRC for "full circulation" while applying for the overseas [**REDACTED**] and listing.

On December 31, 2019, the CSDC and the Shenzhen Stock Exchange (the "**SZSE**") jointly issued the Detailed Rules for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "**Detailed Rules for Implementation**"). H-share full circulation business (e.g. cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders) is subject to the Detailed Rules for Implementation.

To fully promote the H-share "full circulation" reform and clarify the business arrangements and procedures for share registration, deposit, and clearing and settlement, the CSDC issued the H-Share Full Circulation Business Guide (《H股"全流通"業務指南》) on February 7, 2020, which provides for participation in H-share full circulation business preparation, account arrangements, cross-border transfer registration, overseas centralized depository, and other related matters. CSDC (Hong Kong) also issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Company Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》) in February 2020, which stipulates the corresponding custody, depository, agent services, settlement arrangements, risk management measures, and other related matters.

Pursuant to the Detailed Rules for Implementation and Business Guide, shareholders who apply to participate in the H-share "full circulation" (the "**Participating Shareholders**") must complete cross-border transfer registration to convert relevant non-listed domestic shares into H shares before trading the shares. Specifically, the CSDC, as the nominee holder, deposits the relevant securities held by Participating Shareholders with CSDC (Hong Kong), which will then deposit the relevant securities with the HKSCC in its own name. HKSCC will exercise the rights of the issuer of the securities through HKSCC, and the HKSCC agent as the ultimate nominee shareholder will be included in the register of shareholders of the H-share listed company.

The H-Share Full Circulation Business Guide stipulates that H-share listed companies will be authorized by Participating Shareholders to appoint only domestic securities companies ("**Domestic Securities Companies**") to participate in the conversion of H-share transactions. The specific procedures are as follows:

Participating Shareholders submit transaction instructions for converting H shares through Domestic Securities Companies, which then transfer the instructions to the Hong Kong securities companies designated by the Domestic Securities Companies through Shenzhen Securities Communication Co., Ltd.; Hong Kong securities companies conduct corresponding securities transactions in the Hong Kong market based on the above transaction instructions and the rules of the Hong Kong Stock Exchange.

The H-Share Full Circulation Business Guide stipulates that after the transaction is completed, settlement will be conducted between the Hong Kong securities company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and Participating Shareholders, respectively.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

The CSRC issued the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Interim Measures for Overseas Offering**") and five related guidelines on February 17, 2023, which took effect on March 31, 2023. The Interim Measures for Overseas Offering has significantly reformed the regulatory system for the direct or indirect offering and listing of securities by companies within China's territory in overseas markets, transitioning to a filing-based system.

Under the Interim Measures for Overseas Offering, domestic companies seeking to offer and list securities directly or indirectly in overseas markets must complete filing procedures with the CSRC and report relevant information. The Interim Measures for Overseas Offering stipulates that under any of the following circumstances, companies cannot list or issue securities overseas: (i) financing through listing is explicitly prohibited by laws, administrative regulations or relevant provisions of China; (ii) the proposed overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller intending to list or issue securities in overseas markets has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last three years; (iv) a domestic company intending to list or issue securities in overseas markets is currently under investigation for suspected criminal offenses or major violation of laws and regulations, and the case has not yet been closed; or (v) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder and/or the actual controller of a domestic company.

The issuer's initial public offering overseas shall be filed with the CSRC within three working days after the issuer submits the listing application documents to the overseas regulatory authorities. Where the issuer issues securities in the same overseas market following the previous overseas issuance and listing of securities, it shall be filed with the CSRC within three working days upon the completion of the issuance. Subsequent offerings and listings of securities by the issuer in other foreign markets shall be filed as initial public offerings.

In addition, the issuer shall report the following major events to the CSRC within three working days from the date of the occurrence and announcement of the relevant events: (i) change of control; (ii) being investigated or punished by overseas securities regulatory authorities or the relevant competent authorities; (iii) change of listing status or sector; (iv) voluntary or forced termination of the listing. Where the issuer witnesses significant changes in the main business operations after the overseas issuance and listing and they no longer fall within the scope of the filing, the issuer shall, within three working days from the date of the changes, submit a special report plus legal opinions issued by a domestic law firm to the CSRC, explaining the relevant circumstances.

On February 24, 2023, the CSRC and other relevant governmental authorities promulgated the Regulations on Strengthening the Confidentiality and Archives Management Related to the Overseas Issuance and Listing of Securities by Domestic Enterprises (《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》) (the "**Confidentiality Regulations**"), which became effective on March 31, 2023. Under the Confidentiality Regulations, if a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entities, documents and information involving state secrets or the working secrets of state organs to the relevant securities companies, securities service organizations, overseas regulatory bodies and other entities and individuals, it shall submit the documents and information to the approving authorities for approval in accordance with the laws and report them to the confidentiality administrative department at the same level for record. Where a domestic enterprise provides accounting archives or copies of accounting archives to the securities companies, securities service organizations, overseas regulatory bodies and other entities and individuals, the enterprise in question shall perform corresponding procedures in accordance with the provisions of the relevant laws and regulations issued by the State.