***This section provides a summary of the laws and regulations relevant to the business and operations of the Group. The primary purpose of this summary is to provide potential* [REDACTED] *with an overview of the principal laws and regulations applicable to us. This summary is not intended to be an exhaustive description of all the laws and regulations that apply to our business and operations or that may be of significance to potential* [REDACTED]. [REDACTED] *should note that the following summary is based on the laws and regulations in effect as of the date of this document and that changes may occur.***

## PRC LAWS AND REGULATIONS

This section provides a summary of the laws and regulations relevant to the business and operations of the Group.

## LAWS AND REGULATIONS CONCERNING COMPANIES AND FOREIGN INVESTMENT

The establishment, operation, and management of corporate entities in the PRC are governed by the Company Law of the People's Republic of China《中華人民共和國公司法》 (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**NPCSC**") on December 29, 1993, and was most recently amended on December 29, 2023, with the latest amendment taking effect on July 1, 2024. Unless otherwise provided by the Foreign Investment Law (as defined below), foreign-invested entities are also subject to the provisions of the Company Law. The Company Law generally regulates two types of companies: limited liability companies and joint-stock companies. The shareholders of a limited liability company is liable to the company to the extent o f the amount of capital contributions they have made; while the shareholders of a joint stock limited company is liable to the company to the extent of shares they have subscribed for. The Company Law also applies to foreign-invested limited liability companies or joint-stock companies.

Foreign-invested entities in the PRC must also comply with laws and regulations concerning foreign investment, including 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**"), which was promulgated by the National People's Congress (the "**NPC**") and took effect on January 1, 2020, as well as the Regulations on the Implementation of the Foreign Investment Law of the People's Republic of China, which were issued by the State Council on December 26, 2019, and took effect on January 1, 2020. Under the Foreign Investment Law, the PRC implements a pre-establishment national treatment system and a negative list for foreign investment management. The negative list is to be published or approved by the State Council.

On September 6, 2024, the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce (the "**MOFCOM**") jointly promulgated the Special Management Measures for Foreign Investment Access (Negative List) (2024 Version)《外商投資准入特別管理措施(負面清單)(2024年版)》(the "**Negative List**"), which took effect on 1 November 2024.

The Negative List uniformly stipulates the equity requirements, senior management requirements, and other special management measures for foreign investment access. Sectors not included in the Negative List are managed according to the principle of national treatment for both domestic and foreign investors. On October 26, 2022, MOFCOM and NDRC published the Catalogue of Encouraged Industries for Foreign Investment (2022 Version)《鼓勵外商投資產業目錄(2022年版)》(the "**Encouraged Catalogue**"), which took effect on January 1, 2023. The Encouraged Catalogue lists the industries that encourage foreign investment.

According to the Measures for Reporting Foreign Investment Information《外商投資信息報告辦法》jointly issued by MOFCOM and the State Administration for Market Regulation on December 30, 2019, and implemented on January 1, 2020, for carrying out investment activities directly or indirectly in PRC, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to these measures.

According to the Measures for the Security Review of Foreign Investment《外商投資安全審查辦法》jointly issued by the NDRC and MOFCOM on December 19, 2020, and implemented on January 18, 2021, foreign investments that affect or may affect national security are subject to security review as stipulated by these measures. Foreign investors or domestic parties acquiring actual control of important national infrastructure, critical transportation services, and other key sectors related to national security must proactively report such investments to the office of the working mechanism (located within the NDRC and jointly led by the NDRC and MOFCOM) before making the investment.

## LAWS AND REGULATIONS RELATED TO PRODUCT QUALITY

The Product Quality Law of the People's Republic of China (the "**Product Quality Law**") was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on February 22, 1993, and was most recently amended and implemented on December 29, 2018. It is the principal governing law related to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (1) the product has not been put into circulation; (2) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (3) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

According to the Civil Code of the People's Republic of China (the "**Civil Code**"), promulgated by the National People's Congress (the "**NPC**") on May 28, 2020, and implemented on January 1, 2021, in the event of damages caused to other party due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

The Consumer Protection Law of the People's Republic of China was promulgated by the SCNPC on October 31, 1993, and was most recently amended on October 25, 2013, with the amendment coming into effect on March 15, 2014. It aims to protect consumers' rights when they purchase or use goods and accept services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to customers.

The State Council of the People's Republic of China (the "**State Council**") promulgated the Regulations for the Implementation of the Consumer Protection Law of the People's Republic of China (the "**Consumer Protection Law Implementation Regulations**") on March 15, 2024, which took effect on July 1, 2024. These regulations mainly elaborate and supplement the obligations of operators, improve the provisions related to online consumption, strengthen the obligations of operators in prepaid consumption, regulate consumer claims, and clarify the responsibilities of the government in consumer rights protection.

## REGULATIONS ON SALE OF PRODUCTS

### *Anti-Unfair Competition*

The Countering Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC on September 2, 1993, and effective from December 1, 1993, with its most recent amendment becoming operative on April 23, 2019, delineates essential measures aimed at curbing unfair competition and preserving market order. These measures encompass the prohibition of unjust practices such as misleading prize promotions and dumping, which are designed to eliminate market competitors. According to the aforementioned law, operators are strictly prohibited from offering bribes to employees of counterpart units, units or personnel entrusted by counterparts, or exerting undue influence on counterpart units or personnel to secure commercial opportunities or gain competitive advantages. However, operators are permitted to openly provide discounts to trading counterparts or commissions to intermediaries during their business transactions. It is imperative for operators to maintain accurate records of payments made to trading counterparts and intermediaries.

In the event of violations against the provisions outlined in Article 7 of the Law, wherein operators engage in bribery, regulatory authorities are empowered to confiscate the illicit gains obtained by the operators. Additionally, depending on the severity of the circumstances, fines ranging from RMB100,000 to RMB3,000,000 may be imposed. In cases of egregious violations, the revocation of business licenses is a potential consequence. The Countering Unfair Competition Law of the PRC underscores the commitment of the PRC to fostering a competitive market environment characterized by integrity, fairness, and adherence to ethical business practices.

### *Anti-Money Laundering*

Pursuant to the Anti-money Laundering Law of the PRC (《中華人民共和國反洗錢法》) promulgated by SCNPC on 31 October 2006, last amended on 8 November 2024 and became effective on 1 January 2025, the Anti-money laundering refers to the adoption of relevant measures in accordance with the provisions of the Law, for preventing money laundering activities related to cover up and conceal of drugs dealing, organized crime, terrorism, smuggling, corruption and bribery, breaking the order of financial management and financial fraud. Where an act in violation of this law that constitutes a crime shall be subject to prosecution for criminal responsibility.

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

According to the Regulations on Radio Management of the People's Republic of China (《中華人民共和國無線電管理條例》), issued by the State Council and the Central Military Commission on November 11, 2016, and implemented on December 1, 2016, and Interim Provisions on Radio Management of Automobile Radar (《汽車雷達無線電管理暫行規定》) issued by the Ministry of Industry and Information Technology ("**MIIT**") of the People's Republic of China on November 16, 2021, and implemented on 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. Sales of radio transmission equipment that requires model approval must be registered with the radio management agencies of provinces, autonomous regions, and municipalities directly under the central government.

According to the Radar Radio Management Regulations for Trial Implementation (《雷達無線電管理規定(試行)》) (the "**Regulations**") issued by the MIIT on January 24, 2025, the Regulations will be implemented on January 1, 2026. It is the first regulatory document on radar radio management in the PRC, which will effectively promote the high-quality development of the radar industry. The Regulations combine the actual use of radar, technological development, and the resilience and security of the industrial chain and supply chain, covering 19 types of radars in seven categories in the frequency band below 100 GHz. The frequency range used by automotive radar is band 76-79GHz, and the relevant requirements for automotive radar are implemented in accordance with the Interim Provisions on Administration of Automobile Radar Radio. The development, production or import of radar equipment for sale and use in the PRC must comply with the requirements of the Regulations on the Management of Radio Transmitting Equipment (《無線電發射設備管理規定》) and other relevant radio management regulations, and apply to the national radio management agency for approval of the radio transmitting equipment model.

In 2006, to promote the rapid development of China's automotive product safety technology, reduce the casualty rate in road traffic accidents, and achieve the goal of building a harmonious automotive society, the China Automotive Technology and Research Center, after fully considering the actual situation of road traffic accidents in China, as well as the level of automotive standards, technology, and economic development, officially established C-NCAP ("**China New Car Assessment Programme**"). With the smooth implementation of C-NCAP and in-depth research on the programme, the China Automotive Technology and Research Center has also made multiple improvements and upgrades to the C-NCAP management rules, with revisions carried out in 2006, 2009, 2012, 2015, 2018, 2021, and 2024. C-NCAP aims to establish a high-standard, fair, and objective evaluation method for vehicle safety performance, promote the development of vehicle safety technology, and pursue higher safety concepts. The significance of this programme lies in providing consumers with safety information on newly released vehicles, urging manufacturers to place greater emphasis on safety standards, enhancing the safety performance and technological level of vehicles, and ensuring that vehicle safety performance is reflected in evaluations.

According to the Automobile Driving Automation Classification (《汽車駕駛自動化分級》) issued by the SAMR and the National Standardization Administration Committee on 20 August 2021, with implementation commencing on 1 March 2022, such standard references corresponding specifications from the Society of Automotive Engineers (SAE). It stipulates that autonomous driving standards may be categorized as follows: Level 0 (Emergency Assistance), Level 1 (Partial Driving Assistance), Level 2 (Combined Driving Assistance), Level 3 (Conditional Automation), Level 4 (High Automation), and Level 5 (Full Automation). Furthermore, Level 0 requires the automated driving system to possess the capability to continuously perform certain target and event detection and response functions, and to immediately relinquish control when the driver requests the system to disengage. Level 1 requires the autonomous driving system, building upon Level 0, to continuously perform either lateral or longitudinal vehicle motion control during dynamic driving tasks. It further mandates the system possess partial target and event detection and response capabilities commensurate with its lateral or longitudinal motion control functions. Level 2 extends this requirement to encompass both lateral and longitudinal vehicle motion control capabilities. Level 3 primarily requires the automated driving system to continuously perform all dynamic driving tasks within its designed operating conditions once activated. Level 4 primarily requires the automated driving system to automatically execute a minimum-risk strategy when relevant events occur and the user has not requested intervention. Level 5 requires the automated driving system to achieve fully autonomous driving without any restrictions within its designed operating range.

On July 27, 2021, the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation)(《智能網聯汽車道路測試與示範應用管理規範(試行)》) (the "**Road Testing Rule**") was promulgated by the MIIT, the Ministry of Public Security and the Ministry of Transport and came into effect on September 1, 2021. It stipulates, among others, the conditions of the subjects for road testing and demonstration application, the conditions and management of the road testing and demonstration application, and the handling of traffic violations and accidents. A subject for road tests shall apply to the traffic management department of a public security organ for a temporary car number plate for the test vehicle on the strength of the certificates required by the Provisions on the Registration of Motor Vehicles (including the materials such as the subject's self-declaration on the safety of road tests of ICVs confirmed by the competent authorities) and the relevant vouchers. On the local level, the Regulations of Shenzhen Special Economic Zone on the Administration of Intelligent and Connected Vehicles (《深圳經濟特區智慧網聯汽車管理條例》) was promulgated on June 30, 2022. It requires that ICVs that are included in the national catalogue of automobile products or the Shenzhen catalogue of ICVs may be sold after the relevant access has been obtained, may drive on roads upon registration with the traffic administration under the public security authority, and may engage in road transport business activities upon approval by the transport authorities.

The National Internet of Vehicles Industry Standard System Construction Guide (Intelligent Connected Vehicles) (2023 Edition) (《國家車聯網產業標準體系建設指南(智能網聯汽車)(2023版)》) was issued and implemented by the MIIT and the National Standardization Administration Committee on 18 July 2023. This document systematically plans and deploys the standard system for intelligent connected vehicles in China, defining the framework of the standard system for intelligent connected vehicles, which is divided into four parts: foundation, general specifications, product and technology application, and related standards.

According to the Notice on Further Strengthening the Supervision of Automotive Over-The-Air (OTA) Technical Recalls (《關於進一步加強汽車遠程升級(OTA)技術召回監管的通知》) issued and implemented by the SAMR on 23 November 2020, manufacturers using Over-The-Air ("**OTA**") methods for vehicles to carry out technical service activities for sold vehicles must file with the SAMR. Furthermore, if manufacturers use OTA methods to eliminate defects in automotive products or implement recalls, they must develop a recall plan and file it with the SAMR. If OTA methods fail to effectively eliminate defects or cause new defects, manufacturers shall take recall measures again.

Pursuant to the Opinions of the Ministry of Industry and Information Technology on Strengthening the Access Management of Intelligent Connected Vehicle Manufacturers and Products (《工業和信息化部關於加強智能網聯汽車生產企業及產品準入管理的意見》), promulgated by the MIIT and became effective on July 30, 2021, enterprises are required to enhance their capabilities in data security management, strengthen cybersecurity protections, improve corporate governance, and ensure consistency in product manufacturing. Additionally, enterprises must reinforce product management as follows: (i) enterprises shall strictly fulfil their disclosure obligations. For vehicles equipped with driver assistance and autonomous driving functions, enterprises are required to clearly disclose the limitations of vehicle functions and performance, the responsibilities of drivers, information provided by human-machine interfaces, as well as the conditions and procedures for activation and deactivation of such functions; (ii) enterprises shall strengthen the safety management of products incorporating combined driver assistance functions; (iii) enterprises shall enhance the safety management of products with autonomous driving function; and (iv) enterprises shall ensure the provision of reliable spatiotemporal information in their services.

The Notice on Further Strengthening the Management of Access, Recall, and Software Over-the-Air Upgrades for Intelligent Connected Vehicle Products (《關於進一步加強智能網聯汽車產品準入、召回及軟件在線升級管理的通知》) (the "**Notice**") was jointly promulgated by MIIT and the SAMR and became effective on February 25, 2025. The Notice seeks to further regulate the access and recall management of intelligent connected vehicle products equipped with combined driver assistance systems and Over-The-Air ("**OTA**") upgrade capabilities for software, and to standardize OTA upgrade activities conducted by vehicle manufacturers. According to the "Technical Guidelines for the Management of Access, Recall, and Software Over-the-Air Upgrades of Intelligent Connected Vehicle Products" (《智能網聯汽車產品準入、召回及軟件在線升級管理與技術指南》), which form an appendix to the Notice, management in respect of access, recall, and OTA upgrades of intelligent connected vehicle shall be strengthened by focusing on "corporate capacity building, reinforcing product safety management, intensifying sandbox regulatory depth testing, and enhancing oversight of automotive software OTA upgrades". Enterprises are required to conduct comprehensive testing and verification of combined driver assistance systems, clearly define system functional boundaries and safety response protocols, refrain from exaggerated, misleading, or false promotional claims, strictly comply with disclosure obligations, assume full responsibility for production consistency and quality assurance, and diligently work to elevate the safety standards of intelligent connected vehicle products.

**Government Policies Promoting the Development of Millimeter-Wave Radar Sensors for Smart Vehicles in China**

the Industrial Development Action Plan on Internet of Vehicles (Intelligent Connected Vehicle) (《車聯網(智能網聯汽車)產業發展行動計劃》), issued and implemented by the MIIT on December 25, 2018, provides the speeding up of the joint development and achievement transformation of perception devices, such as vehicle vision systems, laser/ millimeter wave radars, multi-domain controllers, and inertial navigation, and acceleration of the development of key components such as smart vehicle terminals and vehicle-level chips, and promote the industrial application of new-generation artificial intelligence, high-precision positioning and dynamic maps in intelligent networked vehicles.

The Strategic Plan for the Innovation and Development of Smart Vehicles (《智能汽車創新發展戰略》), jointly issued by the NDRC and ten other Chinese government departments on February 10, 2020, specifies that the Chinese government will advance the research, development, and industrialization of products such as in-vehicle high-precision sensors, automotive-grade chips, intelligent operating systems, in-vehicle intelligent terminals, and intelligent computing platforms. The strategy also aims to build industrial clusters for key components of smart vehicles.

Pursuant to Notice of the General Office of the State Council on Promulgation of the Development Plan for New Energy Automobile Industry (2021–2035) (《國務院辦公廳關於印發新能源汽車產業發展規劃(2021–2035年)的通知》), issued by the General Office of the State Council on October 20, 2020, the PRC government encourages the enterprises to implement innovation projects for intelligent connected technologies. The PRC government should, by using new energy automobiles Heavy-duty intelligent computing platform of intelligent connected technologies, support enterprises in collaborating across domains, research and develop key technologies such as integrated perception of complex environment, intelligent connected decision-making and control, and design of information physical system architecture, and make breakthroughs in core technologies and products such as Heavy-duty intelligent computing platforms, high-precision maps and positioning, wireless communication of vehicle to everything (V2X), and drive-by-wire execution systems.

On November 17, 2023, the Notice of the MIIT, the Ministry of Public Security, the Ministry of Housing and Urban–rural Development (the "**MOHURD**") and MOT of the PRC on Launching the Pilot Program of Market Access and Road Passage for Intelligent Connected Vehicles (《工業和信息化部、公安部、住房和城鄉建設部、交通運輸部關於開展智能網聯汽車准入和上路通行試點工作的

通知》) came into effect. Pursuant to the foregoing notice, the MIIT, the Ministry of Public Security, the MOHURD and MOT shall, on the basis of the road tests and demonstrative application of ICVs, select ICV products with automated driving functions and eligible for mass production (the "**ICV products**") to carry out the pilot program of market access. ICV products that have obtained the access shall be subject to the pilot program for letting the vehicles run on road within certain areas. Through the pilot program, efforts shall be made to guide ICV manufacturers and users to strengthen their capacity building, and, on the premise of ensuring safety, promote the improvement of the functions and performance of ICV products and the iterative optimization of the industrial ecology so as to promote the high-quality development of the industry of ICVs.

The Catalogue for Guiding Industry Restructuring (2024 Edition) (《產業結構調整指導目錄(2024年本)》), issued by the NDRC on December 27, 2023 and came into effect on February 1, 2024, and indicates that key components and technologies for smart vehicles, such as high-precision sensors for mid- to high-level autonomous driving and sensor fusion perception technology, are considered "encouraged" investment projects.

## REGULATIONS ON SUPPLY CHAIN FINANCIAL INSTRUMENTS

Notice Concerning Regulating the Financial Business of the Supply Chain and Guiding Supply Chain Information Service Institutions to Provide Better Services for the Financing Matters of Small and Medium-Sized Enterprises (《關於規範供應鏈金融業務引導供應鏈信息服務機構更好服務中小企業融資有關事宜的通知》) promulgated by the People's Bank of China, the National Financial Regulatory Administration, the Supreme People's Court, the National Development and Reform Commission, the Ministry of Commerce and the State Administration for Market Regulation of Matters on April 24, 2025, and effective from June 15, 2025, delineates the electronic certificates of accounts receivable referred to in this Notice refer to electronic records issued by the core enterprises in the supply chain and other debtors of accounts receivable to the creditors of accounts receivable such as enterprises in the supply chain through the supply chain information service system based on the true trade relationship, promising to pay corresponding funds as scheduled. The payment period for electronic certificates of accounts receivable shall, in principle, be within six months and shall not exceed one year at the longest. Where the payment period exceeds six months, commercial banks shall strengthen review of the rationality of the payment period and industry settlement practices for the issuance of electronic certificates of accounts receivable, and prudently carry out financing business.

## LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

### Trademarks

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) (the "**Trademark Law**") was promulgated by the SCNPC on August 23, 1982 and became effective on March 1, 1983, and was last amended on April 23, 2019 and came into effect from November 1, 2019. The Implementation Rules 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) was promulgated by the State Council on August 3, 2002 and came into effect on September 15, 2002, and was last amended on April 29, 2014 and became effective from May 1, 2014. The Trademark Law and its implementation rules provide the basic legal framework for regulating trademarks in the PRC. According to relevant laws and regulations, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. If a trademark applied for registration does not comply with relevant regulations or is identical or similar to the trademark already registered or preliminarily approved by others on the same or similar goods, the Trademark Office shall reject the application. Trademarks approved and registered by the Trademark Office are registered trademarks, and the trademark registrant shall have the exclusive right to use the trademark, which is protected by law. The validity period of a registered trademark is 10 years, calculated from the date of approval for registration approval.

### Patents

Pursuant to the Patent Law of the People's Republic of China (中華人民共和國專利法) promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020, and effective from 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) promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and effective from January 20, 2024, there are three types of patents, namely, invention, utility model and design. Invention patents are valid for 20 years, design patents are valid for 15 years and utility model patents are valid for 10 years from the date of application. The PRC patent system adopts a "first come, first file" principle, which means that where more than two persons file a patent application for the same invention, a patent will be granted to the person who applies first. Inventions and utility model patents must meet three criteria: novelty, inventiveness and practicability. Unless otherwise stipulated by relevant laws and regulations, a third party must obtain consent or a proper license from the owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

### Copyright

Pursuant 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, last amended on November 11, 2020 and effective from June 1, 2021, and the Implementing Rules 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, last amended on January 30, 2013 and effective from March 1, 2013, Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science. In addition, internet activities, products disseminated over the internet, and software products also enjoy copyright. Pursuant to the Regulation on Protection of Computer Software (計算機軟件保護條例) promulgated by the State Council on June 4, 1991, effective on October 1, 1991, last amended on January 30, 2013 and implemented on March 1, 2013, the software registration authority shall grant certificates of registration to computer software copyright applicants in compliance with the Regulation on Protection of Computer Software.

### Domain Names

Pursuant to the Administrative Measures on Internet Domain Names (互聯網域名管理辦法) promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (國家頂級域名註冊實施細則) promulgated by China Internet Network Information Center and effective on June 18, 2019, the MIIT is in charge of the administration of PRC internet domain names. Domain owners need to register their domain names. The domain name services follow a "first come, first file" principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

## LAWS AND REGULATIONS IN RELATION TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

### Labor Security

Under the Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法) (the "**Labor Contract Law**") promulgated on June 29, 2007, effective on January 1, 2008, and last amended on December 28, 2012 and effective on July 1, 2013, labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with the regulations of the state. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People's Republic of China (中華人民共和國勞動法) promulgated by SCNPC on July 5, 1994, effective on January 1, 1995 and last amended and implemented on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation as well as educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that comply with national standards and necessary articles for labor protection.

### Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法) passed by the SCNPC on October 28, 2010, effective on July 1, 2011 and amended and implemented on 29 December 2018, each employer and individual in the PRC shall make social insurance fund, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. An employer who fails to make adequate contributions to social insurance fund shall be ordered to pay or supplement within a stipulated period, and shall be subject to a late fee computed from the date of default at the rate of 0.05% per day. Where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the overdue amount.

According to the Administrative Regulations on the Housing Provident Fund (住房公積金管理條例) passed by the State Council on April 3, 1999, last amended and implemented on March 24, 2019, each employer and individual in the PRC shall make housing provident fund. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the competent PRC government authority shall order it to make the housing provident fund within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the People's Court for compulsory enforcement.

## REGULATIONS ON SAFE PRODUCTION

According to the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法) promulgated by the SCNPC on June 29, 2002, revised on June 10, 2021 and implemented on September 1, 2021, production and business operation entities must formulate safety production objectives and measures, improve the working environment and conditions of workers in a planned and step-by-step manner, establish a safety production guarantee system and implement a safety production post responsibility system. In addition, production and business operation entities must arrange safety production training and provide employees with personal protective equipment that meets national or industry standards. In addition, the production and business operation entities shall report the major hazard sources and related safety measures and emergency measures to the emergency management department and other relevant departments for the record, and formulate a safety risk rating control system and take corresponding control measures.

## LAWS AND REGULATIONS IN RELATION TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (中華人民共和國外匯管理條例) (the "**Foreign Exchange Regulations**") promulgated by the State Council on January 29, 1996, effective on April 1, 1996, and last amended and effective on August 5, 2008, international payments in foreign currencies and transfers of foreign currencies under current account in PRC shall not be subject to any restriction. Foreign currency transactions under the capital account, such as direct investment and capital contribution, are still restricted and require approvals from, or registration with, the foreign exchange administrative authorities. According to the Circular of the State Administration of Foreign Exchange on Issues concerning the

Administration of Foreign Exchange Involved in 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) announced by SAFE on February 1, 2005, effective on March 1, 2005 and amended and implemented on December 26, 2014, SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas **[REDACTED]**. The domestic company shall, within 15 working days upon the end of its overseas **[REDACTED]**, handle registration formalities for overseas **[REDACTED]** with the foreign exchange authority at its place of registration with the required materials.

## LAWS AND REGULATIONS IN RELATION TO TAXATION

### Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (the "**EIT Law**") promulgated on March 16, 2007, effective on January 1, 2008 and last amended and implemented on December 29, 2018, and the Implementing Rules of the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法實施條例) (the "**Implementing Rules of the Enterprise Income Tax Law**") promulgated on December 6, 2007, effective on January 1, 2008 and last amended on December 6, 2024 and implemented on January 20, 2025, enterprise income taxpayers shall include resident and non-resident enterprises. Resident enterprise refers to an enterprise established within China or is established under the law of a foreign country (region) but whose actual institution of management is within China. Non-resident enterprise refers to an enterprise established under the law of a foreign country (region), whose actual institution of management is not within China but has offices or establishments within China, or which does not have any offices or establishments within China but has incomes sourced from China. The rate of enterprise income tax shall be 25%. Qualified small low-profit enterprises are given the reduced enterprise income tax rate of 20%.

According to the Administrative Measures for Accreditation of High-tech Enterprises (高新技術企業認定管理辦法) jointly promulgated by Ministry of Science and Technology, Ministry of Finance and the SAT on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, enterprises which recognized as high-tech enterprises are entitled to enjoy the preferential enterprise income tax rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise. After the certificate expires, the enterprise can re-apply for such recognition as a high-tech enterprise.

### Value-added Tax

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which came into effect on January 1, 2026. Upon its entry into force, the Interim Regulations on Value-Added Tax of the People's Republic of China was abolished. The Implementation Regulations of the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法實施條例》) was adopted at the 75th executive meeting of the State Council on December 19, 2025, is hereby promulgated, and shall come into force on January 1, 2026, which functions as a supporting administrative regulation designed to elaborate and operationalize the practical implementation rules of the Value-Added Tax Law of the PRC. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值稅稅率的通知》(財稅[2018]32號)) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effect on May 1, 2018. Further, under the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), jointly issued by the MOF, STA and the General Administration of Customs on March 20, 2019 and effective April 1, 2019, the 16% and 10% rates were further adjusted to 13% and 9%, respectively.

**Taxation on Dividends**

According to the Individual Income Tax Law of the People's Republic of China promulgated on September 10, 1980, last amended on August 31, 2018 and implemented on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China (2018 Revised) (中華人民共和國個人所得稅法實施條例(2018修訂)) (the "**Implementing Rules of the Individual Income Tax Law**") last amended on December 18, 2018 and effective on January 1, 2019, income from interest, dividends, bonuses, property leasing, property transfer and incidental income shall be subject to a proportional tax rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (關於上市公司股息紅利差別化個人所得稅政策有關問題的通知) issued on September 7, 2015 by the Ministry of Finance, the SAT and the CSRC, and implemented on September 8, where an individual acquires stocks of a **[REDACTED]** company from **[REDACTED]** of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempted from individual income tax. If the individual holds the stocks for one month or less, the income from dividends is fully taxable. If the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable. The aforesaid income is subject to an individual income tax at a flat rate of 20%.

In accordance with the EIT Law and the Implementation Rules for the Enterprise Income Tax Law, the rate of enterprise income tax shall be 25%. A non-resident enterprise income tax should be levied at a reduced rate of 10% on income originating from within China if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not connected to such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for each payment. The Circular of the State Administration of Taxation on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprise (國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise unified withhold enterprise income tax at a rate of 10% on dividends paid to H Share shareholders of overseas non-resident enterprise for 2008 and subsequent years. After receiving dividends, the shareholder of a non-resident enterprise may apply to the competent tax authority for the treatment under the tax treaty (arrangement), and after the examination and verification by the competent tax authority, shall refund the balance between the tax paid and the tax payable calculated according to the tax rate stipulated in the tax treaty (arrangement). In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares (國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆), which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise that is **[REDACTED]** on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on August 21, 2006 and implemented on December 8, 2006, the PRC government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion issued by the State Administration of Taxation (國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書) effective on December 6, 2019 states that such provisions shall not apply to those arrangements or transactions, of which the main purpose includes gaining such tax benefit. The application of the dividend clause of tax agreements must comply with the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知) and other Chinese tax laws and regulations.

Pursuant to Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問 題的通知) issued and implemented by the SAT on June 28, 2011, for domestic non-foreign-invested enterprises issuing shares in Hong Kong, its overseas individual shareholders may enjoy relevant preferential tax treatment in accordance with the tax treaties between the PRC and its country of residence, and the tax treaties between the PRC and Hong Kong (or Macao). Domestic non-foreign-invested enterprises that issue shares in Hong Kong generally are subject to withhold personal income tax at 10% of dividends and profits without application. If the individual receiving dividends is a resident of an treaties country with a tax rate of less than 10%, the withholding agent shall apply on their behalf for the relevant preferential treatment in accordance with the provisions and upon approval by the competent tax authority, over-withheld taxes will be refunded. If the individual is a resident of an treaties country with a tax rate higher than 10% but lower than 20%, the withholding agent shall withhold personal income tax at the treaties effective rate when paying dividends and bonuses, and no application is required in such cases. If the individual receiving dividends is a resident of a country without a tax treaties with the PRC or other circumstances exist, the withholding agent shall withhold personal income tax at the rate of 20% when paying dividends.

### Tax Treaties

Non-PRC resident investors residing in countries which have entered into treaties for the avoidance of double taxation with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties/Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

## LAWS AND REGULATIONS IN RELATION TO ENVIRONMENTAL PROTECTION AND FIRE

### Environment Protection

The Environmental Protection Law of the PRC (中華人民共和國環境保護法), which was promulgated by the SCNPC on December 26, 1989, effective on the same day and last amended on April 24, 2014 and effective on January 1, 2015, outlines the authorities and duties of environmental protection regulatory agencies. The Ministry of Environmental Protection under the State Council is authorized to issue national standards for environmental quality and discharge of pollutants, and to exercise unified supervision and administration over environmental protection scheme of the PRC.

### Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (2017 Revised) (建設項目環境保護管理條例(2017修訂))), which was promulgated by the State Council on November 29, 1998, last amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, a construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (中華人民共和國環境影響評價法), which was promulgated by the SCNPC on October 28, 2002 and last amended and implemented on December 29, 2018, for any construction projects that have an impact on the environment, the construction employer is required to prepare an environmental impact report or an environmental impact statement, or file a registration form depending on the seriousness of effect that may be exerted on the environment.

### Pollutant Discharge

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (固定污染源排汙許可分類管理名錄(2019年版)) issued by the MEE on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit. According to the Regulation on Pollutant Discharge Permit Administration (排汙許可管理條例) issued by the State Council on January 24, 2021 and effective on March 1, 2021, the administration on pollutant discharge units are divided into key management and simplified management pursuant to the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The review, decision and information disclosure of pollutant discharge licenses shall be handled through the management information platform of the national pollutant discharge license.

### Fire Prevention Design and Acceptance

The Fire Prevention Law of the PRC (中華人民共和國消防法) (the "**Fire Prevention Law**") was issued by the SCNPC on April 29, 1998, became effective on September 1, 1998 and was last amended and implemented on April 29, 2021. According to the Fire Prevention Law, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design 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 of the PRC on April 1, 2020, last amended on August 21, 2023 and effective on October 30, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

## LAWS AND REGULATIONS IN RELATION TO IMPORTATION AND EXPORTATION OF GOODS

According to the Regulations of the PRC 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) promulgated by the State Council on December 10, 2001, which came into effect on January 1, 2002 and was last amended on March 10, 2024 and effective on May 1, 2024, the Foreign Trade Law of the PRC (中華人民共和國對外貿易法) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and last amended and implemented on December 30, 2022, the Customs Law of the PRC (中華人民共和國海關法) promulgated by the SCNPC on January 22, 1987, which came into effect on July 1, 1987 and last amended and implemented on April 29, 2021, the Measures for Record Filing and Registration by Foreign Trade Dealer (對外貿易經營者備案登記辦法) promulgated by the Ministry of Commerce of China ("**MOFCOM**") on June 25, 2004, which came into effect on July 1, 2004 and was last amended and implemented on May 10, 2021 and the Administrative Provisions of the Customs of the People's Republic of China on Record-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 on November 19, 2021, which came into effect on January 1, 2022, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with MOFCOM or the agency entrusted by MOFCOM. Unless otherwise provided, the declaration of import or export goods and the payment of duties may be made by the consignees or consignors themselves, or by entrusted customs brokers. Customs declaration entities refer to consignees or consignors of imported or exported goods or customs brokers that have filed for record with Customs. Customs declaration entities may conduct customs declaration business within the customs territory of the PRC.

In accordance with the Law of the People's Republic of China on Import and Export Commodity Inspection (中華人民共和國進出口商品檢驗法) promulgated by the SCNPC on February 21, 1989, implemented on August 1, 1989 and last amended and implemented on April 29, 2021, and the Implementation Regulations of the Import and Export Commodity Inspection Law of the People's Republic of China (中華人民共和國 進出口商品檢驗法實施條例) promulgated by the State Council on October 23, 1992 and implemented on October 23, 1992, after the latest revision on March 29, 2022 and implementation on 1 May 2022, the General Administration of Customs is in charge of the inspection of import and export commodities nationwide. Exit and entry inspection and quarantine authorities shall inspect the import and export commodities listed in the catalogue and other import and export commodities that are subject to inspection by exit and entry inspection and quarantine authorities as stipulated by laws and administrative regulations. The entry-exit inspection and quarantine authorities shall conduct random inspection and inspection of import and export commodities other than those mentioned above in accordance with the provisions of the state. Imported commodities subject to inspection shall not be sold or used without inspection. Export commodities subject to inspection shall not be allowed to be exported if they have not been inspected or fail to pass the inspection.

## LAWS AND REGULATIONS RELATING TO AUTOMOBILE DATA SECURITY, NETWORK, INFORMATION SECURITY AND PRIVACY PROTECTION

### Automobile Data Security

On August 16, 2021, the CAC, the NDRC, the Ministry of Public Security, the Ministry of Industry and Information Technology, and the Ministry of Transport jointly issued the Regulations on the Management of Automobile Data Security (Trial) (《汽車數據安全管理若干規定(試行)》) (the "**Automobile Data Security Regulations**"), which came into effect on 1 October 2021. It aims to regulate the collection, storage, use, processing, transmission, provision, and disclosure of personal information and critical data generated throughout the lifecycle of vehicles by automobile designers, manufacturers, and service providers. Relevant automobile data processors, including vehicle manufacturers, parts and software providers, dealers, maintenance service providers, and mobility service companies, must process personal information and critical data in accordance with the law during the design, manufacturing, sales, operation, maintenance, and management of vehicles. Automobile data processors must obtain individual consent or comply with other legal or regulatory requirements when processing personal information. The State encourages the lawful and effective use of automobile data and advocates that automobile data processors adhere to the following principles in their data processing activities: (i) the principle of in-vehicle processing, where data should not be provided outside the vehicle unless necessary; (ii) the principle of default non-collection, where data should be set to not collect by default unless the driver actively adjusts it; (iii) the principle of accuracy range, where the coverage and resolution of cameras, radars, etc., should be determined according to the data accuracy required by the provided functionality or service; and (iv) the principle of anonymization, where data should be anonymized or de-identified wherever possible. According to the Automobile Data Security Regulations, personal information and critical data related to vehicles should, in principle, be stored domestically within China. If such data needs to be transferred abroad, a cross-border data security assessment will be conducted by the national cyberspace regulatory authority in coordination with relevant departments of the State Council. When processing critical data, automobile data processors must conduct risk assessments in accordance with the regulations and submit risk evaluation reports to the relevant provincial departments.

## CYBERSECURITY AND INFORMATION SECURITY

On July 1, 2015, the SCNPC promulgated the National Security Law of the People's Republic of China (《中華人民共和國國家安全法》), which came into effect on the same date. The National Security Law of the People's Republic of China stipulates that the State shall maintain the sovereignty, security, and developmental interests of China's cyberspace, establishing a system for national security review and supervision. It mandates stringent examination and scrutiny of foreign investments, key technologies, network information technology products and services, as well as other significant matters and activities that may affect China's national security.

According to the Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法) (the "**Cybersecurity Law**") promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, network operators must abide by applicable laws and administrative regulations and fulfill their cybersecurity protection obligations when conducting business and service activities. To build or operate a network or provide services through a network, technical and other necessary measures shall be taken in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards to ensure the security and stable operation of the network, effectively respond to network security incidents, prevent illegal and criminal activities on the network and maintain the integrity, confidentiality and availability of network data.

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**") was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021. The Data Security Law provides for measures to support the promotion of data security and development, establishes and improves the national data security management system and clarifies the responsibilities of organizations and individuals with regard to data security. The Data Security Law introduces a classification and classification protection system for data based on the importance of data in economic and social development, as well as the degree of harm to national security, public interests or the legitimate rights and interests of individuals and organizations once it is tampered with, destroyed, leaked or illegally obtained or illegally used.

The Cyber Administration of China (the "**CAC**") and several other regulatory authorities in China jointly issued the Cybersecurity Review Measures (網絡安全審查辦法) on December 28, 2021, which was implemented on February 15, 2022. Where critical information infrastructure operators purchase network products and services, and network platform operators carry out data processing activities that affect or may affect national security, network security reviews shall be conducted in accordance with the Cybersecurity Review Measures.

On July 30, 2021, the State Council promulgated the Regulations on the Protection of Critical Information Infrastructure Security (《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, critical information infrastructure refers to essential network facilities and information systems in key industries and sectors, such as public communications and information services, energy, transportation, water resources, finance, public services, e-government, national defense science and technology industries, and other sectors, whose disruption, loss of functionality, or data leakage could severely endanger national security, economic development, the livelihoods of the people, and public interests. Operators of critical information infrastructure are required to establish and improve network security protection systems. These operators must, at a minimum, conduct a network security inspection and risk assessment of their critical information infrastructure on an annual basis, either independently or by commissioning a qualified cybersecurity service provider, and address any identified security issues in a timely manner. Furthermore, operators must report the status of their protective measures to the relevant authorities as required. In the event of a major cybersecurity incident or threat, operators must report the incident to the relevant protective authorities and public security agencies in accordance with applicable regulations.

According to the Regulations on the Administration of Network Data Security issued by the State Council on September 24, 2024 and implemented on January 1, 2025, network data processors carrying out network data processing activities that affect or may affect national security shall conduct national security reviews in accordance with relevant state regulations.

According to the Measures for Data Exit Security Assessment (數據出境安全評估辦法) issued by the CAC on July 7, 2022 and implemented on September 1, 2022 (the "**Security Assessment Measures**"), if the data processor provides data overseas, under any of the following circumstances, it shall report the data exit security assessment to the national network information Department through the local provincial network information department: (1) the data processor provides important data outside China; (2) critical information infrastructure operators and data processors processing the personal information of more than one million people provide personal information abroad; (3) since January 1 of the previous year, data processors who have provided personal information of 100,000 people or sensitive personal information of 10,000 people abroad have provided personal information abroad; and (4) other situations required to declare data exit security assessment as stipulated by the national network information department.

According to the Data Exit Security Assessment Declaration Guidelines (Second Edition) and the Regulations on Promoting and Regulating the Cross-Border Flow of Data (《數據出境安全評估申報指南(第二版)》《促進和規範數據跨境流動的規定》) (the "**Promotion Regulations**"), which were issued by the Cyberspace Administration of China on March 22, 2024 and took effect on the same day, data processors other than operators of critical information infrastructure must, starting from January 1, of the same year, declare a security assessment if they provide personal information to overseas recipients that exceeds 100,000 individuals (but less than 1 million individuals) in non-sensitive personal information (excluding sensitive personal information) or fewer than 10,000 individuals in sensitive personal information. Such data processors are required to enter into a standard contract for the export of personal information with the overseas recipient or obtain personal information protection certification in accordance with the law. If the data processor meets the exemption conditions under Articles 3 to 6 of the *Promotion Regulations*, they are not obligated to declare a security assessment for such data transfers.

## PRIVACY PROTECTION

According to the Civil Code, the personal information of natural persons is protected by law. Any organization or individual that needs to collect another person's personal information must obtain it in accordance with the law and ensure the security of such information. Unauthorized collection, use, processing, transmission, or disclosure of personal information is prohibited, and it is also illegal to buy, sell, or provide another person's personal information.

The Personal Information Protection Law of the People's Republic of China (the "**Personal Information Protection Law**") was promulgated by the SCNPC on August 20, 2021, and came into effect on November 1, 2021. The Personal Information Protection Law defines the scope of personal information, establishes rules for processing personal information, and sets out regulations for cross-border transfers of personal information. It also specifies the rights of individuals in personal information processing activities and the obligations of personal information processors.

In accordance with the Decision on Strengthening Network Information Protection issued by the SCNPC on December 28, 2012, and the Regulations on the Protection of Personal Information of Telecommunications and Internet Users issued by the Ministry of Industry and Information Technology on July 16, 2013 (effective September 1, 2013), as well as the Cybersecurity Law, the collection and use of users' personal information must be based on mutual consent, and must adhere to the principles of legality, fairness, and necessity. The collection and use of personal information must be limited to specific purposes, methods, and scope. Additionally, internet information service providers must maintain strict confidentiality of such information, and are prohibited from disclosing, tampering with, or destroying this information. They must also refrain from selling or providing this information to others. Internet service providers must take technical and other measures to prevent the leakage, damage, or loss of collected personal information without authorization. In the event of actual or potential leakage of personal information, the service provider must immediately take remedial measures, report the situation to the relevant government departments in a timely manner, and notify the users in accordance with regulations. Any internet information service provider that violates these laws and regulations may face warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, website shutdowns, or even criminal liability.

## LAWS AND REGULATIONS IN RELATION TO OVERSEAS [REDACTED]

On February 17, 2023, with the approval of the State Council, the CSRC issued relevant rules and regulations for the administration of overseas **[REDACTED]** filings which took effect on March 31, 2023. There are six institutional rules issued this time, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies the ("**Overseas Listing Trial Measures**") and five supporting guidelines.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to **[REDACTED]** and **[REDACTED]** securities in overseas markets, either in direct or indirect means, shall file with the CSRC and submit relevant information within three business days after submitting the application documents for issuance and listing overseas.

In addition, Chinese domestic enterprises seeking overseas **[REDACTED]** shall strictly abide by the laws, administrative regulations and relevant provisions of the Chinese government on foreign investment, state-owned assets, industry supervision, overseas investment, etc., and shall not disturb the domestic market order, nor harm the national interests, public interests or the legitimate rights and interests of domestic investors.

The Overseas Listing Trial Measures also specify corresponding legal responsibilities, if a domestic enterprise violates its relevant provisions, the domestic enterprise may be ordered to correct, warned, fined, and other penalties, its controlling shareholders, actual controllers, directly responsible executives, and other directly responsible personnel may also be warned, fined, and other penalties.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing 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》), or the Provision on Confidentiality. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas **[REDACTED]** and **[REDACTED]** of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

## LAWS AND REGULATIONS IN RELATION TO THE H SHARE "FULL CIRCULATION"

The Company shall comply with regulations on the H share "full circulation" to convert its domestic shares into H shares and circulate on the Stock Exchange. Pursuant to the Guidelines on Application for "Full Circulation" of 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) (the "**Full Circulation Guidelines**") promulgated and implemented by the CSRC on November 14, 2019, and last revised and effective on August 10, 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. After domestic unlisted shares are **[REDACTED]** and circulated on the Stock Exchange, they may not be transferred back to China.