This section sets forth a summary of the most significant laws and regulations that affect our business activities in China.

PRINCIPAL REGULATORY AUTHORITIES

We mainly provide core technologies and key equipment such as the solar field & receiver system and the molten salt thermal energy storage & heat exchange system in the molten salt tower CSP plant, and actively lay out the comprehensive energy application field with the molten salt energy storage as the core. We are committed to providing high quality and low cost green clean energy for human society through advanced and efficient renewable energy utilization technologies. Our production and business activities in the PRC are mainly regulated by the National Development and Reform Commission of the People's Republic of China (the "**NDRC**") and the Ministry of Industry and Information Technology of the People's Republic of China (the "**MIIT**") and the National Energy Administration.

The NDRC is the competent authority of our government responsible for accepting and approving clean development projects, and its duties are: to be responsible for drafting relevant laws and regulations or rules on power price administration, power price adjustment policies, formulating national plans for power price adjustment or determining power prices for major national power projects; to be responsible for drafting clean energy development plans; to promote the development of clean energy and other high-tech industries, and implement macro guidance on technological progress and industrial modernization; and to guide the digestion and innovation of introduced major technologies and major complete sets of equipment.

The main duties of the MIIT are to formulate and organize the implementation of industrial planning, industrial policies and standards, monitor the daily operation of the industrial sector, and promote the development of major technical equipment and independent innovation.

The National Energy Administration and the competent investment departments of local governments shall be responsible for the approval of photothermal power generation projects. The main responsibilities of the National Energy Administration include: studying and putting forward energy development strategies and policies, studying and drafting development plans, studying and putting forward suggestions on energy system reform, promoting the implementation of energy sustainable development strategies, organizing the development and utilization of renewable energy and new energy, and guiding energy conservation, comprehensive utilization of energy and environmental protection. Industrial policies mainly include (1) main laws and regulations and (2) main industrial policies, details as shown below:

1. Main Laws and Regulations

- The Renewable Energy Law of the People 's Republic of China (1st revision in 2009), promulgated by the SCNPC, encourages the development and utilization of renewable energy; encourages and supports grid-connected power generation by renewable energy; promotes the development and utilization of renewable energy, increases energy supply, improves energy mix, ensures energy security, protects the environment and achieves sustainable economic and social development;

- The Electricity Law of the People's Republic of China (3rd Revision in 2018), promulgated by the SCNPC, safeguards and promotes the development of the electric power industry, safeguards the legitimate rights and interests of investors, operators and users of electric power, and ensures the safe operation of electric power; and

- The Energy Law of the People's Republic of China, promulgated by the SCNPC, emphasizes that the state promotes the development and utilization of wind energy and solar energy, adheres to both centralized and distributed development, accelerates the construction of wind power and photovoltaic power generation bases, supports the development and utilization of distributed wind power and photovoltaic power generation nearby, reasonably and orderly develops offshore wind power, and actively develops solar thermal power generation.

2. Main industrial policies

Year 2025

- In December 2025, NDRC and the National Energy Administration issued the "Opinions on Promoting the Scaled Development of Concentrated Solar Power" (《關於促進光熱發電規模化發展的若干意見》[發改能源[2025]1645號]). This document fully implements the CSP development strategy outlined in the Energy Law of the People's Republic of China, and formally defines CSP as a "green base-load power source" capable of replacing coal power's peak-shaving capacity while providing rotational inertia and long-duration energy storage. The "Opinions" set a target for CSP installed capacity to reach 15GW by 2030, with the LCOE roughly equivalent to that of coal power. Furthermore, it aims to improve various auxiliary revenue mechanisms — such as capacity compensation, green certificates and CCER — to enable the CSP industry to achieve independent, market-oriented, and industrialized development.

- The Implementation Plan for Special Action to Optimize Power System Regulation Capacity (2025–2027), promulgated by the National Development and Reform Commission and the National Energy Administration, actively lays out the construction of system-friendly new energy power stations and gives full play to the active regulation capability of new energy. Building solar thermal power stations according to local conditions and encouraging biomass power generation to play its regulatory capacity.

- The Notice on Deepening the Market-oriented Reform of New Energy On-grid Tariff and Promoting the High-quality Development of New Energy (FGJG [2025] No.136), promulgated by the National Development and Reform Commission and the National Energy Administration, adheres to the direction of market-oriented reform, promotes new energy on-grid electricity to enter the power market in an all-round way, and forms prices through market transactions. Adhering to fair responsibility, improving market transactions and pricing mechanisms adapted to the development of new energy, and promoting fair participation of new energy in market transactions. Adhering to classified policies, distinguishing between stock projects and incremental projects, establishing price settlement mechanism for sustainable development of new energy, maintaining policy connection of stock projects, and stabilizing income expectation of incremental projects. For new energy increment projects, mechanism electricity price bidding can be organized according to technology type classification for those with large cost difference at the initial stage.

- The Energy Work Guidance for 2025, promulgated by the National Energy Administration, scientifically plans the layout plan of the "15th Five-Year Plan" and "Shagehuang" New Energy Base, steadily promotes the construction of major hydropower projects, actively promotes the development and construction of offshore wind power projects, and intensifies the construction of photovoltaic sand control and photothermal projects.

- The Circular on Organizing and Launching the First Batch of Pilot Work for the Construction of a New Type of Power System, promulgated by the National Energy Administration, starts the first batch of pilot work for the construction of a new power system, focusing on Qinghai, Xinjiang, Heilongjiang and other energy-rich areas, exploring seven frontier directions such as computing power and electric power coordination and virtual power plants. The pilot project will increase the proportion of green electricity in the data center through the "green electricity aggregation supply" mode, and apply load forecasting, flexible control and other technologies to enhance the source-charge synergy capability, and simultaneously promote the efficient utilization of energy such as waste heat recovery and photothermal combined power generation.

- Special Action Plan for Scaling Up New Energy Storage Technologies (2025 — 2027) (FGNY [2025] No. 1144), promulgated by the National Development and Reform Commission and the National Energy Administration, emphasises research into the combined operation of coal-fired power units with electrochemical storage, flywheel energy storage, thermal energy storage and other new energy storage projects. This aims to optimise operational methods and enhance regulatory capabilities.

Year 2024

- The Guiding Opinions on Strengthening the Construction of Power Grid Peak Regulation Energy Storage and Intelligent Dispatching Capacity, promulgated by the National Development and Reform Commission and the National Energy Administration, gives full play to the peak shaving effect of solar thermal power generation. Promote the construction of system-friendly new energy power stations, and promote the power stations to have certain peak load regulation and capacity support capabilities by strengthening the application of high-precision and long-time power forecasting technology and intelligent centralized control technology.

- The Opinions of the CPC Central Committee and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development, promulgated by the CPC Central Committee and State Council, strengthens the connection and coordination of clean energy bases, regulatory resources and transmission channels in terms of scale capacity, spatial layout and construction rhythm, scientifically arranges photothermal power generation, and improves the safe operation and comprehensive regulation capability of power systems.

- The Action Plan for Accelerating the Construction of a New Type of Power System (2024 — 2027)(FGYN [2024] No.1128), promulgated by the National Development and Reform Commission, the National Energy Administration and the National Bureau of Statistics, explores the stable supply mode of green electricity jointly operated by solar thermal power generation, wind power generation and photovoltaic power generation.

- The Notice on Organizing the Application of the Second Batch of Green and Low-carbon Advanced Technology Demonstration Projects (Fa Gai Ban Huan Zi [2024] No.759) was promulgated by the National Development and Reform Commission. The technical requirements include large-capacity, low-cost solar thermal power generation demonstration project: single unit scale is not less than 200,000 kilowatts, heat storage time is not less than 6 hours, mirror field area is not less than 8 square meters/kilowatt. Focus on supporting projects with a single unit size of 300,000 kilowatts and above.

- The Notice on On-grid Tariff Policy of Photothermal Power Generation in Qinghai Province (QFGJG [2024] No.778) was promulgated by the Development and Reform Commission of Qinghai Province. From 2024 to the end of 2028, the on-grid electricity price shall be RMB0.55/kWh (including tax) from the date of commercial operation, which shall be included in the annual solar thermal power generation demonstration (pilot) development plan of Qinghai Province after review and approval by Qinghai provincial development and reform and energy competent department, fulfill the basic construction procedures and construct the solar thermal power generation project separately.

Year 2023

- The Notice of the Comprehensive Department of the National Energy Administration on Matters Related to Promoting the Large-scale Development of Photothermal Power Generation (No.28 [2023] of GNZTXN) was promulgated by the Comprehensive Department of National Energy Administration. Fully understand the significance of large-scale development of solar thermal power generation; actively carry out research on large-scale development of solar thermal power generation, and strive to increase the annual start-up scale of solar thermal power generation to about 3 million kilowatts during the "14th Five-Year Plan" period; combine the construction of new energy bases in deserts, Gobi and arid areas, and launch a batch of solar thermal power generation projects as soon as possible; improve the technical level of solar thermal power generation projects, and the technical level of proposed and ongoing projects shall not be lower than that of demonstration projects organized by the state; optimize the single unit size and mirror storage configuration of photovoltaic power stations. In principle, the mirror field area of each 100,000 kilowatts power station shall not be less than 800,000 square meters; encourage qualified provinces and regions to study and issue supporting policies such as finance, price and land to support the large-scale development of solar thermal power generation as soon as possible, plan million kilowatts and 10 million kilowatts of solar thermal power generation bases in advance, and take the lead in building solar thermal industry clusters.

- The Guiding Opinions on Energy Work in 2023 (Guo Neng Fa Gui Hua [2023] No.30) was promulgated by the National Energy Administration. Vigorously develop wind power and solar power generation: promote the first batch of large-scale wind power and photovoltaic base projects focusing on desert, Gobi and arid regions to be put into operation, build the second batch and the third batch of projects, and actively promote the large-scale development of solar power generation.

- The Notice of the National Energy Administration on Organizing Pilot Demonstration of Renewable Energy Development (Guo Neng Fa Xin Neng [2023] No.66) was promulgated by the National Energy Administration. By 2025, organize and implement a number of demonstration projects with advanced technology, reasonable economic benefits and good prospects for popularization and application. It mainly supports the innovation and application of new technologies for solar thermal power generation, including large-capacity units, high-efficiency heat collection system technologies and equipment components, low-cost mirror field technologies, large-capacity heat storage systems, high-precision intelligent control systems and other technological innovations and applications, realizes demonstration applications of solar thermal power generation with low electricity cost, and promotes cost reduction, efficiency improvement and large-scale development of solar thermal power generation.

- The Notice on Accelerating the Coordinated Development of New Energy and Related Industries (Xin Fa Gai Gui [2023] No.2) was promulgated by the Development and Reform Commission of Xinjiang Uygur Autonomous Region, Xinjiang Supervision Office of National Energy Administration, State Grid Xinjiang Electric Power Co., Ltd. The integrated construction mode of wind power, photovoltaic and thermal storage solar thermal power generation shall meet the new electricity consumption in the park, and the allocation ratio of photovoltaic and solar thermal shall be 9:1; the allocation ratio of wind power and solar thermal power shall be calculated as 9× (average utilization hours of photovoltaic power in the previous year/average utilization hours of wind power): 1, and shall not exceed 6:1 in principle.

- The Notice of Energy Bureau of Qinghai Province on Promoting the Scalable Development of CSP Projects during the "14th Five-Year Plan" Period (Qingneng Xinneng [2023] No. 57) was promulgated by the Energy Bureau of Qinghai Province, the Northwest Supervision Bureau of National Energy Administration, the Development and Reform Commission of Qinghai Province, the Natural Resources Department of Qinghai Province and the Forestry and Grassland Bureau of Qinghai Province. In combination with the power demand of the 14th Five-Year Plan, the solar thermal-photovoltaic integration project shall be competitively configured based on the main conditions such as solar thermal-photovoltaic ratio, mirror storage configuration, peak regulation and frequency modulation, technical performance, solar thermal-photovoltaic performance (including construction performance), etc. In principle, the maximum ratio of new energy to photothermal energy participating in competitive configuration projects is 6:1. The mirror field area of every 100,000 kilowatts power station is encouraged to be no less than 800,000 square meters, the daily energy storage time is more than 6 hours (the minimum annual time is 2,190 hours), and the technical level requirements shall not be lower than those of demonstration projects organized by the state.

- The Opinions on Promoting the High-quality Development of Inner Mongolia and Striving to Write a New Chapter of China Modernization (GF [2023] No.16) was promulgated by the State Council. Adhere to the combination of large-scale and distributed development, synchronously configure efficient energy storage peak shaving devices, and actively develop photothermal power generation. Support the construction of major demonstration projects of new power systems in Inner Mongolia and encourage the application of new energy microgrids.

Year 2022

- The Modern Energy System Plan for the "14th Five-Year Plan" (FGNY [2022] No.210) was promulgated by the National Development and Reform Commission and the National Energy Administration. Actively develop solar thermal power generation;

enhance the coordinated and optimized operation capability of power supply: build natural gas peak shaving power stations and develop heat storage solar thermal power generation according to local conditions, promote the integrated development and joint operation of gas power, solar thermal power generation, wind power and photovoltaic power generation; flexibly adjust power supply: promote the coordinated development of solar thermal power generation, wind power and photovoltaic power generation in Qinghai, Xinjiang, Gansu and Inner Mongolia.

- The Implementation Plan for Promoting High-quality Development of New Energy in the New Era (Guo Ban Han [2022] No.39) was promulgated by the General Office of the State Council. Accelerate the construction of a new power system that adapts to the gradual increase in the proportion of new energy. Improve the regulation capacity and flexibility of the power system in an all-round way. We will improve the compensation mechanism for peak regulation and frequency modulation power supply, and intensify the construction of flexible transformation of coal-fired power units, hydropower expansion, pumped energy storage and solar thermal power generation projects. Solar thermal power generation is encouraged to be used as peak shaving power in areas with good lighting conditions such as the west.

- The Energy Carbon Peak and Carbon Neutralization Standardization Upgrade Action Plan was promulgated by the National Energy Administration. Actively explore the demonstration of solar thermal power generation as a supporting and regulating power source; solidly promote the construction of solar thermal power generation projects in large-scale wind power and photovoltaic bases in deserts, Gobi and arid areas.

By Year 2022

- The Circular of the State Council on Issuing the Action Plan for Carbon Peak by 2030 (GF [2021] No.23) was promulgated by the State Council. Promote large-scale development and high-quality development of wind power and solar power generation in an all-round way: actively develop solar thermal power generation, promote the establishment of a comprehensive renewable energy power generation base for solar thermal power generation, photovoltaic power generation and wind power complementary regulation; accelerate the research and development and popularization of advanced and applicable technologies; promote the demonstration application of molten salt energy storage heating and power generation.

- The "14th Five-Year Plan" Renewable Energy Development Plan (FGNY [2021] No.1445) was promulgated by the National Development and Reform Commission, the National Energy Administration, the Ministry of Finance, the Ministry of Natural Resources, the Ministry of Ecological Environment, the Ministry of Housing and Urban-Rural Development, the Ministry of Agriculture and Rural Affairs, China Meteorological Administration and the State Forestry and Grassland Administration. Orderly promote the development of long-term heat storage solar thermal power generation: promote key core technology research, and promote the significant reduction of solar thermal power generation costs. In Qinghai, Gansu, Xinjiang, Inner Mongolia, Jilin and other high-quality resource areas, we will give full play to the energy storage regulation capacity and system support capacity of solar thermal power generation, build long-term heat storage solar thermal power generation projects, promote the integrated construction and operation of solar thermal power generation, wind power generation and photovoltaic power generation bases, and improve the stability and reliability of new energy power generation; continuously promote the innovation and application of renewable energy engineering technology: We will promote innovation in construction technology and supporting equipment for solar thermal power generation projects, and develop integrated technologies for solar thermal power stations.

- The Notice on Organizing the Construction of Solar Thermal Power Generation Demonstration Projects (Guoneng Xinneng [2015] No. 355) was promulgated by the National Energy Administration. Organize the construction of a batch of solar thermal power generation demonstration projects, form a domestic solar thermal equipment manufacturing industry chain through demonstration project construction, expand the scale of solar thermal power generation industry; cultivate a number of system integrators with comprehensive engineering construction capabilities to meet the needs of subsequent solar thermal power generation development.

- The Notice of the National Development and Reform Commission on the Benchmark On-grid Tariff Policy for Solar Thermal Power Generation (FGJG [2016] No.1881) was promulgated by the National Development and Reform Commission. Approve the national unified solar thermal power generation (including more than 4 hours of heat storage function) benchmark on-grid tariff of 1.15 RMB/kWh (including tax). The above electricity price is only applicable to projects included in the demonstration scope of solar thermal power generation organized and implemented by the National Energy Administration in 2016. All solar thermal power generation projects put into operation before December 31, 2018 shall implement the above-mentioned benchmark on-grid tariff. Encourage relevant local departments to take measures such as tax reduction, financial subsidies, green credit and land concessions for solar thermal power generation enterprises to promote the development of solar thermal power generation industry. After 2019, the state will improve the price policy of solar thermal power generation in a timely manner according to the development of solar thermal power generation industry and the reduction of power generation costs, and gradually reduce the price level of new solar thermal power generation.

- The Notice on the Construction of Solar Thermal Power Generation Demonstration Projects (Guoneng Xinneng [2016] No. 223) was promulgated by the National Energy Administration. A total of 20 solar thermal power generation demonstration projects of the first batch with a total installed capacity of 1.349 million kilowatts have been determined, and distributed in Qinghai Province, Gansu Province, Hebei Province, Inner Mongolia Autonomous Region and Xinjiang Autonomous Region respectively. After the list of demonstration projects was published, the investment enterprises of each project actively carried out the construction of demonstration projects to different degrees according to the actual situation, so as to complete and put into operation as required and give full play to the demonstration and leading role of the project.

- The Notice on Matters Related to Promoting the Construction of Solar Thermal Power Generation Demonstration Projects (Guo Neng Fa Xin Neng [2018] No.46) was promulgated by the National Energy Administration. The construction period of the first batch of demonstration projects can be extended to December 31, 2020, and at the same time, a mechanism for price decline of overdue projects shall be established. The specific price level shall be stipulated by the Pricing Department of the National Development and Reform Commission separately.

REGULATIONS ON FOREIGN INVESTMENT

The operations in China by foreign-invested companies are principally governed by the Company Law of the PRC (《中華人民共和國公司法》), the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) and the Regulations for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), and their specific investment activities are subject to the relevant provisions of the Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) and the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》).

According to the Company Law of the PRC (the "**Company Law**"), which was adopted by the Standing Committee of the Chinese People's Congress (the "**SCNPC**") on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, and came into effect on July 1, 2024, companies established in the PRC may take form of company of limited liability or company limited by shares, and each company has the status of a legal person. The Company Law also applies to foreign-invested companies, where laws on foreign investment have other stipulations, such stipulations shall prevail.

According to the Foreign Investment Law of the PRC, which was adopted by the National People's Congress (the "**NPC**") on March 15, 2019 and took effect on January 1, 2020, the Regulations for Implementing the Foreign Investment Law of the PRC, which was promulgated by the State Council on December 16, 2019 and took effect on January 1, 2020, and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law of the PRC (《最高人民法院關於適用＜中華人民共和國外商投資法＞若干問題的解釋》), which was adopted by the Supreme People's Court on December 26, 2019 and took effect on January 1, 2020, the PRC shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the Negative List refers to special administrative measures for access of foreign investment in specific areas or industries, including restricted or prohibited areas or industries. The PRC accords national treatment to foreign investment outside of the Negative List. Foreign investors shall not invest in areas that are prohibited in the Negative List. Foreign investors shall meet the conditions stipulated in the Negative List in order to invest in the areas that are categorized by the Negative List as a restricted category. Foreign investors shall follow the same principle as domestic investors in order to invest in areas that are not on the Negative List.

According to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**2024 Negative List**"), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》), which was jointly promulgated by the MOFCOM and the NDRC on October 26, 2022 and took effect on January 1, 2023, foreign investments in domestic industries are divided into three categories: encouraged, restricted, and prohibited. Industries not listed in the Negative List are deemed permitted for foreign investments. The industry in which we operate is not included in the 2024 Negative List.

REGULATIONS ON TENDERING AND BIDDING

According to the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which was promulgated by the SCNPC on August 30, 1998, latest amended on December 27, 2017, and came into effect on December 28, 2017, no units or individuals shall circumvent bidding requirements through dividing projects that must be tendered by law into smaller parts or any other means. Bidding and tendering activities shall adhere to the principles of openness, fairness, impartiality, and good faith. For units or individuals who fail to conduct a tender for a project that must be tendered, and circumvent bidding requirements through dividing project that must be tendered into smaller parts or any other means, they shall be ordered to make rectifications within a stipulated period and may be fined between 0.5% and 1% of the project's contract amount. Where a project that must be tendered violates the provisions of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the winning bid is invalid, and the winning bidder shall be re-determined among the remaining bidders in accordance with the legally prescribed bid-winning conditions, or the bidding shall be conducted anew in accordance with the law.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993, last revised on December 29, 2018, and came into effect on the same date, producers shall be responsible for the quality of the products they produce, which shall not present an unreasonable risk of endangering the safety of persons or property, and which shall have the performance for use and indicate on the product or its packaging the product standards adopted. Where a defective product causes physical injury to a person or damage to another person's property, the victim may claim compensation from the producer or from the seller of the product. Producers or sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products illegally produced or sold and be fined. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked. If it constitutes a crime, criminal responsibility will be pursued according to the laws.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) issued by the NPC on May 28, 2020 and came into effect on January 1, 2021, a producer shall bear tort liability if its product causes damage to others due to a defect. If its product causes damage to others due to defect, the infringed party may claim compensation from the producer or from the seller of the product. Where the product defects are caused by the producers, the sellers shall have the right to recover the same from the producers after paying compensation. If the products are defective due to the fault of the seller, the producer may, after paying compensation, claim the same from the seller. If the personal and property safety of others is endangered due to a product defect, the infringed party shall have the right to request the producer and seller to undertake the tort liability such as stopping the infringement, removing the obstruction and eliminating the danger.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to 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 SCNPC on May 12, 1994, last amended on December 30, 2022 and effective on the same date, and the Measures for the Archival Filing and Registration of Foreign Trade Business Operators (《對外貿易經營者備案登記辦法》) lately revised by the Ministry of Commerce ("**MOFCOM**") on May 10, 2021 and effective on the same date, any foreign trade dealer who engages in the export of goods or technologies was required to carry out registration for the record with MOFCOM or the body entrusted by MOFCOM before December 30, 2022, and will not be required to apply for aforementioned registration for the record since December 30, 2022.

According to 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 was last amended on April 29, 2021 and came into effect on the same date, and the Provisions on the Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) by the General Administration of Customs of the People's Republic of China promulgated on November 19, 2021, which came into effect on January 1, 2022, a customs declaration entity is the consignee or consignor of imported or exported goods or a customs declaration enterprise, as filed with the customs in accordance with these provisions. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall be filed as a foreign trade business. According to the Notice of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) promulgated and implemented by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023, consignees and consignees of imported and exported goods applying for recordation shall obtain the qualification of a market entity, and do not need to obtain the recordation of the foreign trade dealers.

REGULATIONS ON PRODUCTION SAFETY AND FIRE SAFETY

Production safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, latest amended on June 10, 2021 and came into effect on September 1, 2021, production and business operation entities shall establish and perfect the system of responsibility for production safety and rules and regulations for production safety for all employees, meet the safety production conditions stipulated by laws and regulations, national standards or industry standards, and those who do not meet the production conditions are not allowed to engage in production and business activities. Production and business operation entities shall carry out education and training on production safety to employees, and ensure that employees have necessary knowledge on production safety and are familiar with relevant rules and regulations on production safety and safety operating procedures. The producers and operators who violate the Production Safety Law of the People's Republic of China may result in imposition of penalties, suspension of operation, an order to cease operation, or even criminal liability if causes serious consequences.

Fire safety

According to the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) published by the SCNPC on April 29, 1998, last amended on April 29, 2021 and came into effect on the same date, and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance Check of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (MOHURD) on April 1, 2020, latest amended on August 21, 2023 and came into effect on October 30, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction, and shall be governed by the fire protection design review and acceptance check system for construction projects. If a construction project fails to pass the fire safety inspection before it is put into use, or fails to meet the fire safety requirements after the inspection, it will be ordered to stop construction, stop use or stop production or business, and be fined, and if it constitutes a crime, it will be held criminally liable in accordance with the law.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

General provisions

According to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) passed by the SCNPC on December 26, 1989, latest amended on April 24, 2014 and came into effect on January 1, 2015, enterprises, public institutions, and other businesses that discharge pollutants shall adopt measures to prevent and control pollution and damage to the environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities. The state shall, according to the law, apply a licensing system to the discharge of pollutants. Enterprises, public institutions, and other businesses subject to pollutant discharge licensing management shall discharge pollutants according to the requirements of their respective pollutant discharge licenses; and those without a pollutant discharge license may not discharge pollutants.

Regulations relating to pollutant discharge permits

According to the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented on March 1, 2021, the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, and the Guidance for the Discharge Registration of Stationary Pollution Sources (Trial) (《固定污染源排污登記工作指南(試行)》) promulgated by the Ministry of Ecology and Environment on January 6, 2020 and implemented on the same date, enterprises, public institutions and other producers or operators that are subject to the administration of permitting of pollutant discharges shall apply for a pollutant discharge permit in accordance with the provisions, and may not discharge pollutants, if a pollutant discharge permit fails to be obtained. Enterprises, institutions and other producers and operators that produce and discharge pollutants in small volumes and affect the environment at a small level shall file a pollutant discharging registration form and are exempted from being required to obtain a pollutant discharge permit.

REGULATIONS ON ENERGY CONSERVATION

Pursuant to the Measures for the Energy Conservation Examination and Carbon Emission Assessment of Fixed-Asset Investment Projects (《固定資產投資項目節能審查和碳排放評價辦法》) promulgated by the NDRC on July 17, 2025, and came into effect on September 1, 2025, for enterprise-invested projects, the construction entity is required to obtain an energy conservation examination opinion from the energy conservation examination authority before commencing the construction. Projects that have not conducted an energy conservation examination in accordance with the Measures, or have not passed the energy conservation examination, the construction entity shall not commence the construction, and for those already completed, the construction entity shall not be put into production or use.

According to the Measures for the Energy Conservation Examination of Fixed-Asset Investment Projects (《固定資產投資項目節能審查辦法》) promulgated by the NDRC on March 28, 2023 and came into effect on June 1, 2023, the opinions on energy conservation examination of fixed-asset investment projects are an important basis for the commencement of construction, completion and acceptance, and operation and management of the projects. For government-invested projects, the construction entity is required to obtain an energy conservation examination opinion from the energy conservation examination authority before submitting the feasibility study report of the project. For enterprise-invested projects, the construction entity is required to obtain an energy conservation examination opinion from the energy conservation examination authority before commencing the construction. Projects that have not conducted an energy conservation examination, or have not passed the energy conservation examination, the construction entity shall not commence the construction.

REGULATIONS ON INTELLECTUAL PROPERTY

Patent rights

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementing Regulations of the PRC Copyright Law (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents, namely invention patents, utility model patents and design patents. Invention patents are valid for twenty years, while utility model patents and design patents are valid for ten years and fifteen years, respectively, all calculated from the date of application.

Copyright

In accordance with the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, latest amended on November 11, 2020, and came into effect on June 1, 2021, copyrights include personal rights such as the right of publication and that of authorship, as well as property rights such as the right of reproduction and that of distribution, copyright protection is extended to Internet activities, products disseminated over the Internet and software products. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the relevant right owner would constitute an infringement of copyright, unless otherwise provided in the Copyright Law of the People's Republic of China. The infringer shall bear civil liabilities such as ceasing the infringement, eliminating the impacts, making an apology, and compensating for the loss.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and the Regulation on Computers Software Protection (《計算機軟件保護條例》), as amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is primarily responsible for the registration and management of national software copyrights and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant registration certificates to computer software copyright applicants that conform to the provisions of both the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark rights

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the Standing Committee of the NPC on August 23, 1982, last amended on April 23, 2019 and took effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, amended on April 29, 2014 and took effect on May 1, 2014, in China, registered trademarks include goods trademarks, service trademarks, collective trademarks and certification trademarks. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. Where a registered trademark needs to continue to be used after the expiration of the validity, the trademark registrant shall go through the formalities for renewal within 12 months prior to the expiration of the validity in accordance with the regulations. Each renewal of the registration shall be valid for ten years, commencing from the day after the expiration of the previous validity of the trademark.

Domain names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and took effect on November 1, 2017, and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and took effect on January 1, 2018, the MIIT supervises and manages the domain name services nationwide. The domain name used by an internet information service provider in providing internet information services must be registered and owned by such provider in accordance with the laws and regulations. Registrations of domain names are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade secret

Pursuant to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) promulgated by the Standing Committee of the NPC on September 2, 1993, last amended on June 27, 2025 and took effect on October 15, 2025, and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets (《最高人民法院關於審理侵犯商業秘密民事案件適用法律若干問題的規定》) promulgated by the Supreme People's Court on September 10, 2020 and took effect on September 12, 2020, trade secret refers to the technical information, operating information and other business information that is not known to the public, has commercial value, and has been subject to appropriate confidentiality measures taken by the obligee. Business operators shall not commit the following acts of infringement of trade secrets: (1) acquiring a trade secret from the obligee by theft, bribery, fraud, coercion, electronic intrusion or other illicit means; (2) disclosing, using or allowing another person to use a trade secret acquired from the obligee by any means as specified in the preceding subparagraph; (3) disclosing, using or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the obligee for keeping the trade secret confidential; (4) abetting, tempting or aiding a person in acquiring, disclosing, using or allowing another person to use the trade secret of the obligee in violation of his or her confidentiality obligation or the requirements of the obligee for keeping the trade secret confidential.

REGULATIONS ON LABOR AND SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor contract

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 Standing Committee of the NPC on July 5, 1994, last amended on December 29, 2018 and took effect on the same date, and 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 Standing Committee of the NPC on June 29, 2007, last amended on December 28, 2012 and took effect on July 1, 2013, employers shall enter into written labor contracts with their employees to establish labor relations. Employers are prohibited from forcing employees to work overtime, and where the employers arrange overtime work, they shall pay employees for overtime work in accordance with relevant national regulations. The remuneration of each employee shall be no less than the local standard on minimum wages. If the employer fails to comply with the above laws and regulations, the labor administrative department has the right to give a warning, order to rectify, fine, require suspending business for rectification and take other measures; If any harm is caused to employees, the employer shall be liable for compensation; If the relevant illegal action constitutes a crime, criminal responsibility shall also be investigated.

Social insurance

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》) promulgated by the Standing Committee of the NPC on October 28, 2010, last amended on December 29, 2018 and took effect on the same date, and other relevant provisions, employers and individuals within the People's Republic of China shall pay social insurance charges in accordance with the law. If the employer fails to pay social insurance charges in full and on time, the social insurance charge collection agency has the right to order it to pay or make up the amount within a time limit, and add a late fee on a daily basis from the date of default. If the employer fails to pay within the time limit, the relevant administrative authorities shall impose a fine.

Housing provident fund

According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, last amended on March 24, 2019 and took effect on the same day, employers should register with the competent housing provident fund administration center and pay the housing provident fund for their employees. Where the employer fails to make a payment or has a shortfall in payment of housing provident fund, the housing provident administration center will order it to make the payment within the time limit; if the employer fails to pay within the time limit, the housing provident administration center may apply for compulsory enforcement to the people's court.

REGULATIONS ON TAX

Corporate income tax

According to 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》) promulgated by the NPC on March 16, 2007, last amended on December 29, 2018 and took effect on the same date, and the Regulation on 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稅法實施條例》) promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and took effect on January 20, 2025, domestic enterprises established in China according to the law shall be regarded as resident enterprises. Resident enterprises shall pay the enterprise income tax at the rate of 25% on their income derived from within and outside the PRC, the enterprise income tax shall be levied at the reduced rate of 20% for qualified small and low-profit enterprises, and 15% for qualified high-tech enterprises.

Value-added tax

According to the Value-added Tax Law of People's Republic of China (《中華人民共和國增值稅法》) promulgated by the Standing Committee of the NPC on December 25, 2024, and took effect on January 1, 2026, unless otherwise stipulated by the above regulations, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%. Unless otherwise stipulated by the above regulations, for payers who engage in the sale of transport services, postal services, basic telecommunications services, construction services, or real property leasing services, the sale of real properties, the transfer of land use rights, the sale or importation of following goods, the tax rate shall be 9%.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

According to the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) promulgated by the Standing Committee of the NPC on August 30, 2007, last amended on June 24, 2022, and took effect on August 1, 2022, prohibited monopoly conducts include the monopoly agreements by business operators, abusing of dominant market position and concentration of business operators that may have the effect of excluding or restricting competition. The anti-monopoly law enforcement agencies designated by the State Council are responsible for the enforcement of the anti-monopoly law in accordance with the provisions of the Anti-Monopoly Law. Business operators who violate the provisions of the Anti-Monopoly Law of the People's Republic of China will be ordered by the anti-monopoly law enforcement agencies to stop the illegal act and be imposed a fine.

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) promulgated by the Standing Committee of the NPC on September 2, 1993, last amended on June 27, 2025 and took effect on October 15, 2025, business operators shall, in their production and operation activities, abide by the principles of voluntariness, equality, fairness and good faith, and comply with laws and business ethics. Business operators shall not disrupt the order of market competition or infringe upon the lawful rights and interests of other business operators or consumers. Any business operator who violates the Anti-Unfair Competition Law of the People's Republic of China by engaging in the foregoing unfair competition activities shall assume civil, administrative, and criminal liability; if the property is insufficient to cover such liabilities, it shall be used primarily to assume civil liability.

REGULATIONS ON CYBERSECURITY AND DATA PROTECTION

Regulations on cybersecurity

Pursuant to the Cybersecurity Law of the PRC, which was promulgated by the SCNPC on amended on October 28, 2025 and came into effect on January 1, 2026, the PRC has implemented a hierarchical network security protection system, and network operators shall comply with the provisions of laws and regulations as well as the mandatory requirements of the national and industry standards, formulate an internal security management system, and adopt technical measures and other necessary measures to protect the security of the network, stable operation. Personal information and important data collected and generated by the critical information infrastructures during their operations shall be stored within the PRC. Where they are required to be provided outside the PRC due to business needs, security assessments shall be conducted in accordance with the requirements of the relevant departments. Network operators violating the provisions of such law will be ordered to rectify, given a warning, fined, confiscated the illegal income, ordered to suspend business, suspend for rectification, shut down the site, revoke the business license and other penalties.

Pursuant to the Data Security Law of the PRC, which was adopted by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, the PRC has formulated a system for data classification and grading protection. Where data processing activities are carried out through the Internet and other information networks, the above-mentioned data security protection obligations shall be performed based on the hierarchical network security protection system. A processor of important data is required to evaluate the risk of its data activities periodically and file assessment reports with relevant regulatory authorities.

Pursuant to the Measures for Cybersecurity Review, which was jointly promulgated by the Cyberspace Administration of China, the NDRC, the MIIT, the Ministry of Public Security, the Ministry of National Security, the Ministry of Finance, the Ministry of Commerce, the People's Bank of China, the State Administration of Market Regulation, the National Radio and Television Administration, the China Securities Regulatory Commission, the National Administration of State Secrets Protection, and the State Cryptography Administration on December 28, 2021 and came into effect on February 15, 2022, a network platform operator with personal information of more than 1 million users which seek listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

Regulations on Data Protection

Pursuant to the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) promulgated by the Cyberspace Administration of China on July 7, 2022 and effective on September 1, 2022, to provide data abroad under any of the following circumstances, a data processor shall declare security assessment for its outbound data transfer to the national cyberspace administration through the local cyberspace administration at the provincial level: (1) the data processor provides important data abroad; (2) the critical information infrastructure operator or the data processor that has processed the personal information of over one million individuals provides personal information abroad; (3) the data processor that has provided the personal information of 100,000 individuals or the sensitive personal information of 10,000 individuals cumulatively since January 1 of the previous year provides personal information abroad; (4) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENTS BY DOMESTIC ENTERPRISE

Regulations of the Development and Reform Commission on Overseas Investment by Domestic Enterprise

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which was promulgated on December 26, 2017 and took effect on March 1, 2018, when domestic enterprises conduct overseas investment, they should fulfill the procedures such as approval and filing for overseas investment projects, report relevant information, and cooperate with supervision and inspection. The scope of approval management includes sensitive projects carried out by the investment entity directly or through its controlled overseas enterprises, which specifically include projects involving sensitive countries and regions and sensitive industries. The scope of filing registration management is non-sensitive projects directly carried out by investment entity, that is, non-sensitive projects involving investment entity directly investing in assets, interests or providing financing and guarantees.

Regulations of the Commerce Department on Overseas Investment by Domestic Enterprises

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and the provincial competent departments of commerce shall be responsible for the filing registration and approval respectively, depending on different circumstances of overseas investment by the enterprise. An overseas investment involves sensitive countries and regions as well as sensitive industries, the overseas investment shall be subject to administration by approval; Overseas investment that falls under any other circumstances shall be subject to administration by filing registration.

Regulations of the Foreign Exchange Administration on Overseas Investment by Domestic Enterprises

According to the Notice 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 issued by the SAFE on February 13, 2015 and came into effect on June 1, 2015, it has cancelled the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under overseas direct investment in accordance with this notice and the attached Operational Guidelines for Foreign Exchange Business of Direct Investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

The Guidelines on Foreign Exchange Business under the Capital Account (2024 Edition) specify the procedural requirements for registration of foreign exchange business related to overseas direct investment.

REGULATIONS ON OVERSEAS OFFERING AND LISTING OF DOMESTIC ENTERPRISES

Regulations Relating to Overseas Listing

According to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) promulgated by the SCNPC on December 29, 1998, which was last amended on December 28, 2019 and implemented on March 1, 2020, domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas must comply with the relevant regulations of the State Council.

According to the Trial Administrative Measures 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 "**Overseas Listing Administrative Measures**") and supporting guidelines promulgated by the China Securities Regulatory Commission (the "**CSRC**") on February 17, 2023 and implemented on March 31, 2023, the overseas offering and listing activities of domestic enterprises shall be in strict compliance with laws, administrative regulations and relevant provisions on national security in terms of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security, shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. If a security review is required, the relevant security review procedures shall be carried out in accordance with the law before submitting the offering and listing application to the overseas securities regulatory authorities, stock exchanges, etc.

A domestic enterprise that intends to be listed or is listed overseas may raise funds and pay dividends in foreign currencies or RMB. The use and investment of proceeds from overseas issuance by a domestic enterprise shall comply with the laws, administrative regulations and relevant national rules. The foreign exchange and cross-border flow of capitals relating to the overseas issuance and listing of a domestic enterprise shall comply with the national regulations on cross-border investment and financing, foreign exchange management, and cross-border RMB management.

If any of the following material events occur after an issuer's overseas offering and listing, the issuer shall report the details to the CSRC within three working days from the date of the occurrence and announcement of the relevant event: (1) change in control; (2) investigation, penalties or other measures taken by overseas securities regulatory authorities or relevant competent authorities; (3) the conversion of listing status or the transfer of listing board; (4) voluntary or compulsory termination of listing.

Regulations relating to foreign exchange administration of overseas listing

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [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)) promulgated on December 26, 2014, where a joint stock limited company incorporated in the PRC issues shares overseas and is publicly listed and outstanding on overseas exchanges upon the approval by the CSRC, it shall, within 15 business days after the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment, and present its certificate of overseas listing to open a special account for overseas listing of domestic company at a local bank to handle the exchange, remittance and transfer of funds for the business concerned.

The Guidelines on Foreign Exchange Business under the Capital Account (2024 Edition) stipulate guidelines for securities investment management and other related foreign exchange business, providing guidance on foreign exchange procedures for new registration and alteration and cancellation of registration, registration of domestic shareholders' shareholdings, full circulation and other related matters of domestic companies' overseas listings.

REGULATIONS RELATING TO THE H SHARE FULL CIRCULATION

Full circulation represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted Domestic Shares held by domestic shareholders prior to overseas listing, unlisted Domestic Shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. According to the 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》) promulgated by the CSRC on November 14, 2019 and amended 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 the 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, and the corresponding H-share listed company may be entrusted to submit the filing registration to the CSRC. Unlisted domestic joint stock companies may apply for the filing registration for "full circulation" to the CSRC when applying for an overseas initial public offering and listing.

Shareholders of domestic unlisted shares shall perform the share transfer registration in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited, perform the share registration, listing and other procedures in accordance with the relevant regulations of the Hong Kong market, and disclose information in accordance with the laws and regulations. After domestic unlisted shares are listed and circulated on the Hong Kong Stock Exchange, they may not be transferred back to China. Shareholders of domestic unlisted shares may reduce or increase their holdings of our Company's shares that are on the Hong Kong Stock Exchange in accordance with the relevant business rules. The domestic enterprise that issues securities overseas shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC, of the shares related to the application has been completed.

In addition, the Shenzhen Branch of the CSDC released the Guidelines for the "Full Circulation" Program for H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) on September 20, 2024, which clearly provides for business arrangements and procedures related to H-share full circulation business, including business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance and change in maintenance of domestic holding details, corporate behavior processing, clearing and settlement, risk management and business charges.