We are subject to a variety of Chinese mainland laws, rules and regulations affecting many aspects of our business. This section sets out a summary of the major laws, regulations, rules and policies which may have material impact on our business and operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us and does not purport to be a comprehensive description of all such laws and regulations applicable to the business and operations of us and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of this document, which may be subject to change.

REGULATIONS RELATING TO THE INDUSTRY

The competent department of industry for the production of automobile components and parts is the MIIT.

In 1994, the National Development Planning Commission (the National Development and Reform Commission, the "NDRC" 國家發展和改革委員會) issued the Industrial Policies for the Automotive Industry (《汽車工業產業政策》) (the "1994 Automobile Policy") as an overall policy guideline for the automotive industry in the PRC. Although the 1994 Automobile Policy does not have the force of law, it is the cornerstone of the overall regulatory regime of the PRC automotive industry. In 2004, the NDRC issued the Automotive Industry Development Policy (《汽車產業發展政策》) (which was amended in 2009) to replace the 1994 Automobile Policy.

In addition to the Automotive Industry Development Policy, the General Office of the State Council issued the Restructuring and Rejuvenation Programme of the Automotive Industry (《汽車產業調整和振興規劃》) in March 2009 (the "Programme"). The Programme affects the development of the automobile and automotive components and parts industries by: (a) Fostering the automobile consumption market through tax and other economic means; (b) Encouraging the mergers, acquisitions and reorganization of the key manufacturers of automotive components and parts to expand their scale and to increase their share in the domestic and overseas markets; (c) Encouraging the development of primary automotive components and parts which could improve the performances of the whole automobile, including anti-slip regulation system, suspension control, digitalized instruments and other electronic control systems; (d) Implementing automotive product export strategies; (e) Accelerating the construction of national export bases for automobiles and automotive components and parts.

REGULATIONS RELATING TO CORPORATION AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "SCNPC") on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effect on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "FIL") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中 外合作經營企業法》)

and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities.

On December 30, 2019, the Ministry of Commerce of the PRC (the "MOFCOM") and the State Administration for Market Regulation (the "SAMR") jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. 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 "Negative List"), which were promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "Encouraging Catalog"), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. According to the Negative List and the Encouraging Catalog, as of the Latest Practicable Date, our business does not fall within the scope of the Negative List and is not subject to special management measures.

Pursuant to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof.

REGULATIONS RELATED TO PRODUCTION

Quality of Product

The principal legal provisions governing product liability are set out in 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 on February 22, 1993, became effective on September 1, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018. The Product Quality Law is applicable to all activities of production and sales of any product within the territory in the PRC, and the producers and sellers shall be liable for product quality in accordance with the Product Quality Law.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (hereinafter referred to as "Civil Code") enacted by the NPC on May 28, 2020, and implemented on January 1, 2021, producers or sellers shall be liable for any personal injury or property loss caused by defective products. Where a defective product causes damage to another person, the aggrieved party may claim compensation from the producer or seller. Where the product defect is caused by the producer, the seller is entitled to recover damages from such producer after making compensation. Where the product defect is caused by the fault of the seller, the producer is entitled to recover damages from the seller after making compensation.

Production Safety

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) enacted by the SCNPC on June 29, 2002, which was last amended on June 10, 2021 and implemented on September 1, 2021, the emergency management authority of the State Council implements the comprehensive national supervision and administration of work safety, while production and operating entities are required to enforce such national standards or industry standards as legally formulated to ensure work safety, and establish the sound employee work safety accountability system and work safety regulations and systems. Production and operating entities that fail to comply with work safety conditions are prohibited from engaging in any production and operation activities. Furthermore, employees of production and operating entities shall be provided with work safety education and training sessions, ensuring that they are in possession of the required work safety knowledge and provided with personal protection equipment that aligns with the national or industrial standards.

REGULATIONS RELATING TO THE IMPORTATION AND EXPORTATION OF THE 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 and amended on April 6, 2004, November 7, 2016, December 30, 2022 and December 27, 2025, the competent authorities for foreign trade under the State Council shall take charge of all foreign trading activities at the country level in accordance with this law, and foreign trade operators are no longer required to register with effect from December 30, 2022. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

The Customs Law of the PRC (《中華人民共和國海關法》) was promulgated by the SCNPC on January 22, 1987 and effective from July 1, 1987, and last amended on April 29, 2021, stipulate that the customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise may be imposed fines by the customs.

According to the Administrative Provisions of the Customs of the PRC 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》) issued by the General Administration of Customs of the PRC (the "GACC") on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入"多證合一"改革的公告》) jointly issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of "Integrating Multiple Certificates into One" and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

REGULATIONS RELATING TO THE MANAGEMENT OF LEASE HOUSING

Pursuant to (a) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019 and took effect on January 1, 2020, and (b) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

REGULATIONS RELATING TO DATA SECURITY

Regulations relating to Cybersecurity, Data Security and Privacy Protection

Cybersecurity and Data Security

China has enacted various laws and regulations with respect to internet security and protection of personal information from any inappropriate collection activities, abuse or unauthorized disclosure. Cybersecurity and data security in the PRC are regulated and restricted from a national security standpoint.

On November 7, 2016, the SCNPC promulgated the PRC Cyber Security Law (《中華人民共和國網絡安全法》), which was amended on October 28, 2025, and became effective on January 1, 2026. The Cyber Security Law highlights that any individual or organization shall not endanger cyber security, or engage in any illegal activities that, by making use of the network, endanger the national security, economic order and social order, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. Any internet information service provider that violates any provision or requirement in the Cyber Security Law may be subject to warnings, confiscation of illegal income, fines, revocation of business permits or licenses, closure of websites, and even criminal liability.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The Data Security Law provides that "data" refers to any recording of information by electronic or other means. Data processing includes the collection, storage, use, processing, transmission, availability and disclosure of data, etc. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, provides for a national security review procedure for those data activities which may affect national security, and imposes export restrictions on certain data and information.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") published the Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022. Pursuant to Article 7 of the Cybersecurity Review Measures, any network platform operator with personal information of more than one million users shall apply to the Cyber Security Review Office for cyber security review prior to listing abroad.

In accordance with the Cybersecurity Review Measures, we are not applicable to the declaration of cyber security review, on the basis that: (i) Based on the consultation with China Cybersecurity Review, Certification and Market Regulation Big Data Center (the agency entrusted by the Cyber Security Review Office to carry out the specific work of cyber security review), Hong Kong is not included in the definition of "abroad" hereof and [**REDACTED**] in Hong Kong is not in the scope of "listing abroad", which is not required to apply for cyber security review; (ii) We have not been identified as a critical information infrastructure operator or network platform operator, nor have we received any notification regarding the identification of network facilities and information systems as critical information infrastructure, nor have we received any notification from regulatory agencies such as national or local cyberspace authorities requiring the fulfillment of network security review obligations; (iii) We have not received any inquiries, notifications, warnings or penalties from the national or local cybersecurity and information technology commission office or certification center regarding network security review.

On September 24, 2024, the CAC published the Administrative Regulations on Cyber Data Security (《網絡數據安全管理條例》), or the Cyber Data Security Regulations, which became effective on January 1, 2025. Among other things, the Cyber Data Security Regulations prescribe that cyber data processors processing personal information of over ten million individuals shall fulfill certain requirements for processing important data and require cyber data processors to take certain precautionary measures, such as identifying important data and conducting annual risk assessment. Furthermore, the Cyber Data Security Regulations allow cyber data processors to provide personal information overseas only if it is strictly necessary for fulfilling statutory obligations.

Protection of Personal Information

Pursuant to Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**") that was issued by the NPC on May 28, 2020 and took effect on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which came into force on November 1, 2021 and integrates the scattered rules with respect to personal information rights and privacy protection. The PRC Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. Personal information, as defined in the PRC Personal Information Protection Law, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The PRC Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation. Furthermore, the PRC Personal Information Protection Law also provides for the rights of natural persons whose personal information is processed, and takes special care of the personal information of children under 14 and sensitive personal information.

REGULATIONS RELATING TO PRC TAXATION

Enterprise Income Tax ("EIT")

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law"), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, as well as the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the "Implementation Rules"), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and amended on April 23, 2019 and on December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC or are established under foreign laws but whose actual management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. High and New Technology Enterprises that require key support are subject to the reduced EIT Rate of 15%.

Dividend Tax

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) (the "Individual Income Tax Law") promulgated by the Standing Committee of the National People's Congress (the "NPCSC") on September 10, 1980, as last amended on August 31, 2018 and the latest amendment effective on January 1, 2019, and the Regulations on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》) promulgated by the State Council on January 28, 1994, as last revised on December 18, 2018 and the latest revision effective on January 1, 2019 (the "Implementation Regulations of the Individual Income Tax Law"), individual investors shall pay individual income tax at a rate of 20% on dividend income received from enterprises within China (regardless of whether the place of payment is within China), which shall be withheld and paid by enterprises in China, except for the income exempted from tax stipulated in international tax treaties and agreements signed by the PRC government, as well as other tax-free income and tax reductions stipulated by the State Council.

Under the EIT Law and its Implementation Rules, non-resident enterprises are subject to enterprise income tax on their China-sourced income, including dividends and other equity investment returns derived from Chinese enterprises. However, where a non-resident enterprise does not maintain an establishment or place of business in China, or where such income is not effectively connected with its establishment or place of business in China, such income shall be subject to enterprise income tax at a reduced rate of 10%. The tax payable by non-resident enterprises in such cases shall be withheld at source, with the payer of the income acting as the withholding agent.

Pursuant to the Circular of State Taxation Administration ("STA") on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-Resident Enterprise Shareholders of H Shares (《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》) issued on November 6, 2008, when Chinese resident enterprises distribute dividends to H-share holders which are overseas non-resident enterprises for 2008 and subsequent years, enterprise income tax will be withheld and paid at a uniform rate of 10%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006 (the "Arrangement"), the PRC government may tax dividends paid by Chinese companies to Hong Kong residents in accordance with PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the withholding tax shall not exceed: (a) 5% of the gross amount of the dividends if the beneficial owner is a company that directly holds at least 25% of the capital of the paying company; or (b) 10% of the gross amount in all other cases. According to the Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書) (the "Fifth Protocol to the Arrangement") that came into effect on December 6, 2019, notwithstanding the provisions of other terms of the Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of the Arrangement is to obtain the benefits, the benefits shall not be granted in connection with the relevant income, unless it can be confirmed that the benefits under such circumstances is consistent with the purposes and objectives of the relevant provisions of the Arrangement.

In addition, pursuant to the Notice of STA on Issues Concerning the Application of Dividend Clauses of Tax Treaties (《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》) issued on February 20, 2009, where a Chinese resident enterprise distributes dividends to a Hong Kong resident and such Hong Kong resident (being the dividend recipient) is the beneficial owner of the dividends, the Hong Kong resident shall be entitled to receive the dividends. Such dividends may benefit from the treatment agreed under the Arrangement, whereby the income tax payable by the Hong Kong resident in the PRC shall be calculated at the tax rate specified in the Arrangement. Should the tax rate stipulated in the Arrangement exceed the rate prescribed under the domestic tax laws of the PRC, the taxpayer may still opt to be taxed in accordance with the domestic tax laws of the PRC.

Tax Treaties

Non-Chinese resident investors who live in countries that have signed double taxation agreements with China or who live in Hong Kong, or the Macau Special Administrative Region can enjoy preferential tax rates on dividends from Chinese companies. China has entered into double taxation avoidance arrangements with Hong Kong and the Macao Special Administrative Region respectively, and has entered into double taxation avoidance agreements with several other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the U.S. Non-Chinese resident enterprises that have obtained preferential tax rates under relevant tax treaties or arrangements may apply to the Chinese tax authorities for a refund of the difference between the withholding tax and the tax calculated based on the preferential tax rates stipulated in the relevant tax treaties or arrangements. The application is subject to approval by the Chinese tax authorities.

Taxes Related to Share Transfers

Pursuant to the Individual Income Tax Law and the Implementation Regulations of the Individual Income Tax Law, income from the transfer of property (including income from the transfer of securities, equity, and partnership property shares among individuals) is subject to individual income tax at a rate of 20%. According to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) jointly issued by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 (Cai Shui Zi [1998] No. 61), starting from January 1, 1997, individual income tax will continue to be exempted on the income obtained by individuals from transferring shares of listed companies.

Pursuant to the EIT Law and the Implementation Rules, non-resident enterprises shall pay enterprise income tax on their income derived from China (including income from the transfer of equity investments in Chinese enterprises). For a non-resident enterprise having no office or establishment in China, or if an office or establishment has been established in China but the income obtained has no actual connection with the office or establishment, the enterprise income tax shall be levied at a reduced rate of 10%. The above-mentioned income tax payable by non-resident enterprises shall be withheld at source, and the income payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for payment at the time it is paid or due for payment.

Value-added Tax ("VAT")

The major PRC law and regulation governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017 which has been replaced by the Law of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅法》) adopted and promulgated on December 25, 2024 and effective as of January 1, 2026, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) issued on December 25, 1993 by the Ministry of Finance (財政部) (the "MOF"), came into effect on the same day and revised on December 15, 2008 and October 28, 2011. Any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. Depending on the taxable acts of the general taxpayers, the applicable VAT rates are 13%,9%,6% and 0%, respectively. The Notice of the MOF and the STA on the Adjustment of the Value-added Tax Rate (《財政部、國家稅務總局關於調整增值稅稅率的通知》), which was jointly issued by the MOF and the STA on April 4, 2018 and became effective from May 1, 2018, adjusted the VAT rates for relevant taxable acts of general taxpayers originally subject to the tax rates of 17% and 11% to 16% and 10%, respectively.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in the PRC is the Foreign Exchange Administration Regulations (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996 and amended on April 1, 1996. On January 14, 1997 and August 5, 2008, the State Council amended the Foreign Exchange Administration Regulations. According to the Foreign Exchange Administration Regulations, the capital account items shall not be exchanged freely and Renminbi under the capital account are still subject to PRC government approvals from, or registration with, the State Administration of Foreign Exchange (the "SAFE") and other relevant institutions and require approvals.

Pursuant to the Regulation of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated on June 20, 1996 by the PBOC and became effective on July 1, 1996, the Foreign-invested Enterprises (the "FIE") may exchange or remit foreign currencies only at those banks authorized to conduct foreign exchange business, after providing valid commercial supporting documents and, for capital account item transactions, obtaining approvals from the SAFE.

According to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues concerning the Capital Management of Domestic Enterprises' Overseas Listing (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by the PBOC and SAFE on December 24, 2025, a domestic company shall, within 30 working days from the first trading day of its overseas listing or the completion of the over-allotment option, apply to a bank within the provincial-level/municipalities with independent planning status where it is registered for overseas listing registration. The use of proceeds shall be consistent with the purposes disclosed in this document or other public documents.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) announced by SAFE and effective on June 9, 2016, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) revised thereon, announced and effective on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

Pursuant to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated and effective on April 10, 2020 by the SAFE, provided that the use of funds is genuine, compliant and in line with the existing regulations for the management of the use of income under capital accounts, eligible enterprises will be allowed to use the income under capital accounts such as capital funds, foreign debt and income from overseas listing for domestic payments without having to provide materials proving authenticity to the banks on a case-by-case basis beforehand.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, and the Implementation Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) (State Council Order No. 651, effective from September 15, 2002 and amended on April 29, 2014 and came into effect on May 1, 2014), the Trademark Office (the Trademark Review and Adjudication Board of Trademarks throughout the country and the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce under the State Council shall be responsible for handling trademark disputes. And in accordance with the 2018 institutional reform, relevant trademark functions have been integrated into the China National Intellectual Property Administration (CNIPA).

Registered trademarks refer to trademarks that have been approved and registered by the Trademark Office, which include commodity trademarks, service trademarks, collective marks and certification marks. The trademark registrant shall enjoy an exclusive right to use the trademark, which shall be protected by laws and regulations. Any visible mark in the form of word, graphic, alphabet, number, 3D (three-dimension) mark, color combination, sound and a combination of these elements that can distinguish the commodities of the natural person, legal person or other organizations from those of others can be registered as a trademark. Trademark for which an application is filed for registration shall be distinctively as to be distinguishable and shall not go against the legitimate right previously obtained by others. A trademark registrant is entitled to tag the words "Registered Trademark" or a sign indicating that it is registered.

The period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided in accordance with applicable laws.

Any of the following acts shall be an infringement upon the right to exclusive use of a registered trademark: (a) use of a trademark identical to a registered trademark on the same type of commodities without licensing by the trademark registrant; (b) use of a trademark similar to a registered trademark on the same type of commodities without licensing by the trademark registrant, or use of a trademark identical or similar to the registered trademark on similar commodities which easily causes confusion; (c) sale of commodities which infringe upon exclusive rights to use registered trademarks; (d) forgery or unauthorized manufacturing of labels of other's registered trademark or sale of forged or unauthorized labels of other's registered trademark; (e) change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market; (f) intentionally facilitating infringement of other's exclusive rights to use trademarks, assisting others in implementation of infringement of exclusive rights to use trademarks; or (g) causing harm to other's exclusive rights to use registered trademarks. In the event of infringement of the registered trademark above that leads to disputes, the parties concerned shall settle such disputes through negotiations; where no negotiation is prospective or fails, the trademark registrant or any interested party may file a lawsuit before the People's Court or request the administrative department for industry and commerce for handling.

Patents

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law"), which was promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, "invention", "utility model" and "design." "Invention" refers to any new technical solution relating to a product, a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and "design" refers to any new design of the shape, pattern, color or the combination of any two of them, of a product, which creates an aesthetic feeling and is suitable for industrial application. The duration of a patent right for "invention" is 20 years, the duration of a patent right for "utility model" is 10 years, and the duration of a patent right for "design" is 15 years, from the date of application. According to the Patent Law, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in compliance with provisions of the relevant international treaty participated by the PRC.

In the event that a dispute arises due to a patent being exploited without the prior authorization of the patentee, that is to say an infringement upon the patent right of the patentee, then it shall be settled through consultation involving both parties. In the event that one or both parties are unwilling to submit to consultation, or if the consultation fails, then the patentee or any interested party may initiate legal proceedings in the People's Court or request the patent administrative department to handle the matter.

In the event that the patent administrative department, when handling the matter, believes the infringement is established, it may order the infringing party to cease the infringement with immediate effect. If the infringing party is not satisfied with the ruling, it may, within 15 days from the date of receiving the notification of the order, initiate proceedings in the People's Court in accordance with the Law of the People's Republic of China on Administrative Proceedings. It limits the infringing party neither takes legal action at the expiration of the time limit nor ceases the infringement, the patent administrative department may request from the People's Court a compulsory execution of the aforementioned order. The patent administrative department may, upon the request of both or either of the parties, conduct mediation in respect of the amount of compensation for the damage caused by the infringement upon the patent right. If the mediation fails, the parties may initiate legal proceedings in the People's Court in accordance with the Civil Procedure Law of the People's Republic of China.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

The term "copyright" shall include but not be limited to the following personal rights and property rights: (a) the right of publication, i.e. the right to decide whether or not to make a work available to the public; (b) the right of authorship, i.e. the right to affix one's name to a work to indicate the author's identity; (c) the right of revision, i.e. the right to revise one's work against to revise one's work; (d) right to preserve the integrity of work, i.e. the right to protect a work from distortion or tampering; (e) the right of reproduction, i.e. the right to make one or more copies of one's work through such means as printing, photocopying, rubbing, making an audio recording, making a video recording, duplicating a recording, digitization of photographic reproduction, etc.; (f) the right of distribution, i.e. the right to provide the original or reproduction of one's work to the public by means of sale or gift; (g) the right of rent, i.e. the right to put the original copy or replicas of art works and photographic works on public display; (h) the right of exhibition, i.e. the right to put the original copy or replicas of art works and photographic works on public display; (i) the right of performance, i.e. the right to put up a public performance of a work and publicly broadcast performance of a work through various means; (j) other rights to which a copyright owner is entitled. An author's rights of attribution, revision and integrity shall continue in perpetuity.

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated on December 20, 2001 and amended on January 8, 2011 and January 30, 2013 and came into force on March 1, 2013, protects the rights and interests of the computer software copyright holders and encourages the development of software industry and information economy. In the PRC, software developed by Chinese citizens, legal persons or other organizations are automatically protected immediately after its development, whether published or not. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. A registration certificate issued by the software registration institution is a preliminary proof of the registered items.

Domain names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology of the PRC (the "MIIT") on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

REGULATIONS RELATING TO LABOUR AND SAFETY

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended and came into effect in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages shall not be lower than local minimum wages. The employers must establish a system for labor safety and sanitation, strictly comply with national rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

The PRC Employment Promotion Law (《中華人民共和國就業促進法》), which became effective on January 1, 2008 and was amended on April 24, 2015, requires that individuals have equal employment opportunities, both in hiring and in employment terms, without discrimination on the basis of ethnicity, race, gender, religious belief, communicable disease or rural residency. Under this Law, enterprises are also required to provide employees with vocational training. Administrative authorities at the county level or above are responsible for implementing policies to promote employment.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》), amended on December 20, 2010 and came into effect on January 1, 2011, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》), implemented on a trial basis on January 1, 1995, the Decisions on the Establishment of a Unified Basic Old-age Insurance Programme for Urban Workers of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》), issued on July 16, 1997, the Decisions on the Establishment of a Unified Medical Insurance Programme for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》), promulgated on December 14, 1998, the Unemployment Insurance Measures (《失業保險條例》), promulgated on January 22, 1999, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated, amended on March 24, 2019 and came into effect on the same date, and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), implemented on July 1, 2011, last amended on December 29, 2018 and came into effect on the same date, enterprises are obliged to provide their employees in the PRC with pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Enterprises must apply for social insurance registration with local social insurance agencies and pay premiums for their employees. If an enterprise fails to pay the required premiums on time or in full amount, the authorities in charge will demand the enterprise to settle the overdue amount within a stipulated time period and impose a daily overdue fine equivalent to 0.05% of the overdue amount. If the overdue amount is still not settled within the stipulated time period, an additional fine with an amount of one to three times the overdue amount will be imposed.

Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which became effective on April 3, 1999, as amended on March 24, 2002 and March 24, 2019, a unit (including a foreign investment enterprise) shall undertake the registration with the administrative centre of housing provident funds and pay the funds for their staff. If an employer, in violation of the aforesaid regulations, fails to undertake registration or to open the housing provident funds account for its employees, the administrative centre of housing provident funds will impose an order for completion within prescribed time limit; if such employer further fails to process within the aforesaid time limit, a fine ranging from RMB10,000 to RMB50,000 will be imposed. On the other hand, if a unit, in violation of the aforesaid regulations, fails to pay or to fully pay the housing provident funds, the administrative centre of housing provident funds will impose an order for payment within a prescribed time limit; if such unit still fails to make payment within the time limit, the centre shall have the right to apply for compulsory enforcement in court.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE CONTROL

Environmental 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, came into effect on the same day and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment is empowered to establish national environmental quality and emission standards, and to oversee China's environmental protection framework. Local environmental protection authorities may develop local standards that are more stringent than the national standards. In such cases, relevant enterprises must comply with both the national standards and the more rigorous local standards.

In accordance with the Administrative Measures for Pollution Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on January 10, 2018, which was last amended on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions and other production and operating entities shall be subject to the key administration of pollutant discharge permits, simplified administration and management of pollution discharge registration based on the amount of pollutants generated, pollutant discharge amount, the extent of environmental impacts and other factors. Enterprises, public institutions and other production and operating entities (hereinafter referred to as "Discharge Entities") that are subject to the administration of pollutant discharge permits as required by law shall apply for and obtain pollutant discharge permits in accordance with the law, and discharge pollutants in accordance with the provisions of the pollutant discharge permits, in which case no pollutant discharge is permitted without a pollutant discharge permit. Enterprises, public institutions and other production and operating entities (hereinafter referred to as "Registered Discharge Entities") that are required by law to fill in the pollution discharge registration form shall register their pollution discharge on the national pollutant discharge permit management information platform. Discharge Entities shall apply for a pollutant discharge permit from the ecological and environmental department of the local People's government at or above the municipal level in the region where their production and operation premises are located prior to occurrence of the actual pollution discharge. Registered Discharge Entities shall fill in the pollution discharge registration form on the national discharge permit management information platform prior to occurrence of the actual pollution discharge, and the registration number and return receipt will be generated immediately after their submissions, which will be maintained in their own custody. Registered Discharge Entities shall be responsible for the truthfulness, accuracy and completeness of the reported information. The pollution discharge registration form takes effect from the date when the registration number is received, the effective term of which shall proceed in accordance with the relevant laws and regulations

Environmental Impact Appraisal

Pursuant to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and effective from October 1, 2017, a construction employer shall, based on the environmental impact of the construction project, submit either an environmental impact report, an environmental impact statement, or file a registration form. For construction projects requiring an environmental impact report or statement, the construction employer must submit the respective document to the competent environmental protection administrative department for approval prior to commencement of construction. Where the environmental impact assessment documents have not been lawfully examined and approved by the approval authority, the construction employer is prohibited from commencing construction. Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and last amended on December 29, 2018, any construction project that may have an impact on the environment requires the preparation of either a report, a statement, or a registration form concerning such environmental impacts, with the specific requirement determined by the significance of the potential environmental effects.

Fire Control

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The fire control design of construction projects must comply with national technical standards for fire control. Construction is prohibited if the fire control design has not undergone statutory examination or has failed such examination. Furthermore, completed construction projects cannot be put into use or operation if they have not passed fire safety inspection or fail to meet fire safety requirements upon inspection. 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》) promulgated by the MOHURD on April 1, 2020 and effective on June 1, 2020, and amended on August 21, 2023 and effective on October 30, 2023, a fire prevention design examination and acceptance system applies specifically to special construction projects, while other projects are subject to a record-filing and spot check system.

REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, "overseas investment" means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and its provincial counterparts have promulgated regulations stipulating that overseas investments by enterprises shall be subject to either recordation or confirmation management, depending on the specific circumstances of the investment. Overseas investments involving sensitive countries or regions, or sensitive industries, shall be subject to confirmation management. Other overseas investments shall be subject to recordation management. Where an overseas enterprise established through such investment undertakes further overseas reinvestment, the investing enterprise shall report to the competent commerce department upon completion of the relevant overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and 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》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") promulgated the Trial Administrative Measures of the 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 Trial Measures") and relevant supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the "Overseas Offering and Listing"), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (a) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (b) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (c) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedures or if the filing documents submitted contain misrepresentation, misleading statements or material omissions, such PRC company may be subject to orders for rectification, warnings, and fines. In addition, its controlling shareholders, actual controllers, the persons directly in charge, and other directly responsible personnel may also be subject to fines.

Pursuant to the Overseas Listing Trial Measures, issuers undertaking overseas offerings and listings are required to fulfill reporting obligations following the occurrence of major post-listing events. Where an overseas offering and listing is classified as an indirect overseas offering and listing by a PRC domestic enterprise, the issuer shall submit a detailed report to the CSRC within three business days after the occurrence and public disclosure of any of the following events: (a) any change in control; (b) being subjected to investigation, sanctions or other regulatory measures by overseas securities regulators or relevant authorities; (c) any change in listing status or transfer between listing segments; or (d) voluntary or compulsory delisting. Besides, where any material change in the issuer's principal business operations following its Overseas Offering and Listing results in the issuer no longer falling within the scope of the record-filing requirements, the issuer shall submit a special report accompanied by a legal opinion issued by a PRC law firm to the CSRC within three working days after the occurrence of such change, providing a detailed explanation of the relevant circumstances. Pursuant to the Overseas Listing Trial Measures, PRC domestic enterprises conducting Overseas Offering and Listing activities must strictly comply with PRC laws, administrative regulations, and relevant provisions concerning foreign investment, state-owned assets, industry regulation, and outbound investment. Such enterprises shall not disrupt domestic market order, nor shall they compromise national interests, public interests, or the lawful rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (a) formulate its articles of association, improve its internal control system and standardize its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (b) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provisions of personal information and important data.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (a) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (b) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (c) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (d) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (e) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Pursuant to the Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《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》) by Domestic Enterprises jointly promulgated by the CSRC, the National Administration of State Secrets Protection, and the National Archives Administration of China on February 24, 2023, during the overseas securities offering and listing activities of domestic enterprises, the domestic enterprises involved, as well as securities companies and securities service institutions providing corresponding services, must strictly comply with the relevant laws and regulations of the People's Republic of China and the requirements of these Provisions. They shall enhance the legal awareness regarding the protection of state secrets and the strengthening of archives administration, establish and improve systems for confidentiality and archives work, adopt necessary measures to fulfill their responsibilities for confidentiality and archives management, and shall not divulge any state secrets or work secrets of state organs, nor harm national or public interests. If a domestic enterprise, either directly or through its overseas listed entity, provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals any documents or materials that involve state secrets or work secrets of state organs, it shall, according to the law, report to the competent authorities with the power of examination and approval for approval and file a record with the administrative department for secrecy protection at the corresponding level.

H-share Full Circulation

"Full circulation" means 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. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "Guidelines for the Full Circulation"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, 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, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

On December 31, 2019, CSDCC and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "Measures for Implementation"). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of 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》), which were subsequently amended on June 2025 with the revised version taking effect on June 30, 2025, and which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On September 20, 2024, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.