REGULATIONS ON THE CIRCULATION OF USED VEHICLE

On August 29, 2005, the Ministry of Commerce (the "MOFCOM"), the Ministry of Public Security (the "MPS"), the former State Administration for Industry and Commerce (the "SAIC"), and the State Taxation Administration (the "STA") jointly promulgated the Administrative Measures for the Circulation of Used Vehicles (《二手車流通管理辦法》) (the "Used Vehicles Measures"), which was further amended on September 14, 2017. The Used Vehicles Measures stipulate, among others, that (i) a business operator of a used vehicle trading market, a sales enterprise and brokerage entity of used vehicles shall possess the qualification of an enterprise legal-person and shall complete the registration procedures with the administrative department of industry and commerce; (ii) the establishment of an auction enterprise of used vehicles (including a foreign-funded auction enterprise of used vehicles) shall comply with the relevant provisions of the Auction Law of the PRC and the Measures for the Administration of Auction, and shall be handled according to the procedures as prescribed by the Measures for the Administration of Auction; (iii) business operators of used vehicle trading market and business operators of used vehicles that have registered with the administrative department of industry and commerce according to law and obtained the business license shall file with the administrative department of commerce at the provincial level within 2 months as of obtaining their business license. The Used Vehicles Measures and the Specifications for Used Vehicle Transactions also provide regulations for the behavior of business operators of used vehicle trading market and business operators of used vehicles, including the requirements: (i) to operate and pay taxes in accordance with the law; (ii) verify; the relevant information and conditions of the used vehicle (iii) to refrain from trading illegal vehicles; and (iv) to establish complete records for used vehicle trading, buying and selling, auctioning, brokering, as well as appraisal and evaluation.

On March 24, 2006, the MOFCOM promulgated the Specifications for Used Vehicle Transactions (《二手車交易規範》).

Under the Used Vehicles Measures and the Specifications for Used Vehicle Transactions, the relevant information and conditions of the used vehicles on sale shall be verified by the business operators of used vehicles, including (i) the ownership certificate or the disposal right certificate of the seller; (ii) vehicle license plate, vehicle registration certificate, vehicle driving license, valid vehicle safety and technical inspection certificate, vehicle insurance policy, tax and fee payment receipts, etc.

Furthermore, the following vehicles are prohibited from being sold or auctioned:(i) vehicles that have been scrapped or have reached the mandatory scrapping standards as stipulated under applicable laws; (ii) vehicles under customs supervision that are either mortgaged or traded without customs approval; (iii) vehicles seized or impounded by the People's Courts, People's Procuratorates, or administrative law enforcement departments in accordance with the law; (iv) vehicles obtained through illegal means such as theft, robbery, or fraud; (v) vehicles with engine number, vehicle identification number, or frame number that do not match the original registered number, or show signs of tampering; (vi) vehicles involved in smuggling or illegal assembly; (vii) vehicles lacking legal certificates or documentation; (viii) vehicles prohibited from trading by relevant laws or administrative regulations, etc.. If business operators of used vehicles discover vehicles falling under categories (iv), (v), or (vi), they must promptly report to law enforcement authorities such as the public security organs and administrative departments for industry and commerce. Both business operators of used vehicle trading market and business operators of used vehicles involved in trading illegal vehicles shall bear joint liability for compensation and other corresponding legal responsibilities.

The business operators of used vehicle sales are further required to (i) provide buyers with accurate information regarding the vehicle's use, repairs, accidents, inspections, as well as whether it has been registered for mortgage, tax and fee payments, and scrapping period; (ii) examine and duly prepare the used vehicle before transacting to the buyers. After the sale concludes, both the buyer and the seller shall, according to relevant regulations, present the required legal documents and certificates to the traffic management department of the public security authority to apply for vehicle transfer registration procedures. The vehicle transfer registration shall be fulfilled within the period stipulated by relevant policies and regulations, and be clearly indicated in the sale contract. Additionally, the business operators of used vehicle shall, when selling the used vehicle with a term of use of no more than 3 years or with a traveling mileage of no more than 60 thousand km (whichever comes first, except for the commercial vehicle), provide the consumers with a quality guarantee of no less than 3 months or 5 thousand kilometers (whichever comes first). The scope of quality guarantee shall include engine system, steering system, transmission system, brake system and suspension system.

The competent commercial departments and administrative departments for industry and commerce shall, within their respective responsibilities, take effective measures to strengthen the supervision and administration of the business operators of the used vehicle, investigate and prosecute illegal and non-compliant activities according to law, maintain market order, and protect the legitimate rights and interests of consumers.

On July 5, 2022, seventeen departments including the MOFCOM jointly issued the Notice regarding Several Measures for Invigorating the Circulation of Automobiles and Expanding Automobile Consumption (《關於搞活汽車流通擴大汽車消費若干措施的通知》) (the "New Regulations"). The New Regulations, among others, provided a series of measures designed to standardize the administration and incentivize the growth of used vehicle transactions in China and provide a better business environment for used vehicle business participants. The New Regulations do not specifically target used vehicle transaction service providers like us, and as such do not impose any specific additional requirements or obligations for used vehicle transaction service providers like us that do not handle title transfer registration to fulfill.

On January 18, 2022, seven departments including the National Development and Reform Commission (the "NDRC") issued the Implementation Plan for Promoting Green Consumption (《促進綠色消費實施方案》), which stipulates the promotion of green transformation in key consumption areas. Among them, it specifically stipulates the active development of the used vehicles dealership business, promotes the implementation of the policy to fully cancel the restriction on the transfer of used vehicles, and further expands the circulation of used vehicles.

On March 7, 2024, the State Council promulgated the Action Plan to Promote in Large Scale Equipment Renewal and Trade-in of Consumer Goods (《推動大規模設備更新和消費品以舊換新行動方案》), which, among others, requires to enhance the policy support for used vehicle trade-ins. On March 27, 2024, 14 ministerial departments including the MOFCOM issued the Action Plan to Promote Trade-in of Consumer Goods (《推動消費品以舊換新行動方案》), which stipulated that one of its key tasks is to carry out the trade-in of used vehicles in exchange for new vehicles, including promoting the used vehicle transaction process, cultivate and strengthen the used vehicle transaction entities.

Furthermore, on January 20, 2025, eight departments including the MOFCOM jointly issued the Notice on the Launch of the Pilot Reforms for Automobile Circulation and Consumption (《關於開展汽車流通消費改革試點工作的通知》), which requires to promote the efficient circulation of used vehicles, including continuously improve the management system for used vehicle circulation, innovate convenient measures for used vehicle transaction registration, explore the establishment of an online transaction management system, support used vehicle dealers in strengthening entity cultivation and brand building, encourage the implementation of hierarchical and classified management of used vehicle dealers, and promote the growth and strengthening of used vehicle dealers.

Pursuant to the Auction Law of the PRC (《中華人民共和國拍賣法》) promulgated by the Standing Committee of the National People' Congress of the PRC (the "SCNPC") on July 5, 1996, and subsequently amended on August 28, 2004 and April 24, 2015, and the Measures for the Administration of Auctions (《拍賣管理辦法》) promulgated by the MOFCOM on October 2, 1994, and subsequently amended on December 2, 2004, October 28, 2015 and November 30, 2019, to engage in auction activities, domestic auctioneers shall first obtain a license to engage in auction business from MOFCOM and its local counterparts. According to the Used Vehicles Measures and the Specifications for Used Vehicle Transactions, after the auction concludes, the auctioneer shall sign a confirmation letter for the used vehicle auction conclusion with the buyer, and deliver the vehicle, documents with the vehicle, legal certificate and evidence to the buyer after the buyer has paid all the costs.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

In December 2001, in order to comply with China's commitments with respect to its entry into the WTO, the State Council promulgated the Provisions on the Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which was last revised in March 2022 and took effect on May 1, 2022 (the "2022 FITE Regulations"). The proportion of capital contribution made by foreign investors in a foreign-invested telecommunications enterprise operating value-added telecommunications services (including radio paging services among basic telecommunications services) shall not exceed 50% in the end, unless otherwise stipulated by the State."

According to the Announcement of the Ministry of Industry and Information Technology on Carrying Out Pilot Work for Expanding Opening-up of Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》), pilot programs are launched first in the Beijing Comprehensive Demonstration Zone for Further Opening up the Service Sector, the Lin-gang Special Area and the Leading Area for Socialist Modernization of the Shanghai Pilot Free Trade Zone, the Hainan Free Trade Port, and the Shenzhen Demonstration Zone for Building a Socialist Demonstration Area with Chinese Characteristics, to remove the foreign equity ratio restrictions on Internet Data Center (IDC), Content Delivery Network (CDN), Internet Access Service (ISP), online data processing and transaction processing services, as well as information services including information release platforms and delivery services (excluding Internet news information, online publishing, online audio-visual services, and Internet cultural operations), and information protection and processing services.

REGULATIONS ON CYBERSECURITY

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "Cyber Security Law"), which took effect on June 1, 2017, was amended on October 28, 2025, and the revised version came into force on January 1, 2026. In accordance with the Cyber Security Law, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard network security in conducting business and providing services. Network service providers must take technical and other necessary measures as required by Laws to safeguard the operation of networks, respond to network security events effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality, and usability of network data.

On July 30, 2021, the State Council issued the Critical Information Infrastructure Security Protection Regulations (《關鍵信息基礎設施安全保護條例》), which took effect on September 1, 2021. These regulations stipulate the definition and the identification procedure of the critical information infrastructure. Critical information infrastructure refers to important network infrastructure, information systems in important industries and sectors such as public telecommunications and information services, energy, transportation, public services, e-government, national defense science, or important network infrastructure, information systems which may gravely harm national security, national economy and people's livelihood, or the public interest upon their destruction, loss of functionality, or data leakage. Competent departments and supervision and management departments of important industries and sectors are the protection work departments, who are responsible for formulating related identification rules of critical information infrastructures. Operators of critical information infrastructure shall undertake cybersecurity protection duties to respond to cybersecurity incidents, prevent cyberattacks and unlawful or criminal activities, ensure the secure and stable operation of critical information infrastructure, and safeguard the integrity, confidentiality, and usability of data based on cybersecurity multi-level protection. Meanwhile, critical information infrastructure operators shall undergo a security review according to national cybersecurity regulations if the network products and services they purchase may influence national security.

On December 28, 2021, the CAC, the NDRC, the MIIT and other ten PRC regulatory authorities jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022. The Cybersecurity Review Measures require that, (i) any procurement of network products and services by critical information infrastructure operators, which affects or may affect national security, or (ii) any data processing activities by network platform operators, which affects or may affect national security, including that any network platform operators which has personal information of more than one million users and is going to be offering abroad, shall be subject to cybersecurity review. However, there still exists uncertainties with respect to their interpretation and implementation.

On September 24, 2024, the State Council issued the Cyber Data Security Administration Regulations (《網絡數據安全管理條例》) (the "Administration Regulations"), which became effective on January 1, 2025. The Administration Regulations is not only the first at the administrative regulation level specifically for network data security, but it also serves as a comprehensive implementing regulation for the compliance requirements set out by the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. The Administration Regulations introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers. It remains to be seen how this regulation will be interpreted and implemented, and to what extent it will affect our operations.

REGULATIONS ON DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Data Security

On June 10, 2021, the Data Security Law of the PRC (《中華人民共和國數據安全法》) was promulgated by the SCNPC and taken effect on September 1, 2021, provides that China shall establish a data classification and grading protection system, formulate the important data catalogs to enhance the protection of important data. The conduct of data processing activities shall be in compliance with the provisions of laws and administrative regulations, establishing and completing a data security management system for the entire workflow, organizing and conducting data security education and training, adopting corresponding technical measures and other necessary measures to ensure data security, strengthening risk monitoring, taking immediately disposition measures and promptly reporting to relevant authorities when data security incidents occur. Processors of important data shall specify the person responsible for data security and management agencies, implement data security protection responsibilities, periodically conduct risk assessments of such data handling activities as provided and submit risk assessment reports to the relevant authorities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC and other applicable measures to provide important data outside China, such company may be punished by administration sanctions, including penalties, fines, and/or suspension of relevant business or revocation of the business license.

Personal Information Protection

The Cyber Security Law require that: (i) to collect and use personal information, network operators shall follow the principles of legitimacy, rightfulness and necessity, disclose rules of data collection and use, clearly express the purposes, means and scope of collecting and using the information, and obtain the consent of the persons whose data is gathered; (ii) network operators shall neither gather personal information unrelated to the services they provide, nor gather or use personal information in violation of the provisions of laws and administrative regulations or the scopes of consent given by the persons whose data is gathered; and shall dispose of personal information they have saved in accordance with the provisions of laws and administrative regulations and agreements reached with users; (iii) network operators shall not divulge, tamper with or damage the personal information they have collected, and shall not provide the personal information to others without the consent of the persons whose data is collected. However, if the information has been processed and cannot be recovered and thus it is impossible to match such information with specific persons, such circumstance is an exception. Furthermore, under the Cyber Security Law, network operators of critical information infrastructure shall store within the territory of the PRC, the personal information and important data collected and produced during their operations in the PRC.

On March 12, 2021, the CAC, the MIIT, the MPS and the State Administration for Market Regulation (the "SAMR") jointly issued the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (《關於印發<常見類型移動互聯網應用程序必要個人信息範圍規定>的通知》), effective on May 1, 2021, specifying that the operator of an internet application shall not refuse a user to use the App's basic functional services on the ground that the user disagrees with the collection of unnecessary personal information.

On August 20, 2021, the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) was issued by the SCNPC and effective on November 1, 2021, provides detailed rules on processing personal information and corresponding legal responsibilities, including but not limited to the scope of personal information and the ways of processing personal information, the establishment of rules for processing personal information, the individuals' rights and the processors' obligations on response of such rights, the requirements on data localization and cross-border data transfer, the requirements for separate consent and the processing requirements of sensitive personal information. Critical information infrastructure operators and personal information processors processing personal information reaching quantities provided by the state cybersecurity and informatization department shall store personal information generated or collected within the borders of the PRC domestically; where they need to provide it abroad, they shall pass the security assessment organized by the CAC. Processors of personal information shall, based on purpose and methods of personal information processing, categories of personal information, the impacts on individuals' rights and interests, and potential security risks, take the following measures to ensure that personal information processing activities comply with the provisions of laws and administrative regulations, and prevent unauthorized access as well as the leakage, tampering or loss of personal information:

- Developing internal management systems and operating procedures.
- Conducting classified management of personal information.
- Taking corresponding security technical measures such as encryption and de-identification.
- Determining in a reasonable manner the operation privileges relating to personal information processing, and providing security education and trainings for employees on a regular basis.
- Developing and organizing the implementation of contingent plans for personal information security emergencies.
- Other measures as provided by laws and administrative regulations.

Companies that violate the Personal Information Protection Law in processing personal information may face penalties, fines, suspension of relevant business or revocation of the business license.

Regulations on Data/Personal Information Cross-border Transfer Mechanism

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross- border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. The Measures for the Security Assessment of Cross-border Data Transfer requires the data processor providing data overseas and falling under any of the following circumstances apply for the security assessment of cross-border data transfer by the national cybersecurity authority through its local counterpart: (i) where the data processor intends to provide important data overseas; (ii) where the critical information infrastructure operator and any data processor who has processed personal information of more than 1,000,000 individuals intend to provide personal information overseas; (iii) where any data processor who has provided personal information of 100,000 individuals or sensitive personal information of 10,000 people to overseas recipients accumulatively since January 1 of the preceding year intends to provide personal information overseas; and (iv) other circumstances where the security assessment of cross-border data transfer is required as prescribed by the CAC. Furthermore, the data processor shall conduct a self-assessment on the risk of cross-border data transfer prior to applying for the foregoing security assessment, under which the data processor shall focus on certain factors including, among others, the legitimacy, fairness and necessity of the purpose, scope and method of cross-border data transfer and the data processing of overseas recipients, the risks that the cross-border data transfer may bring to national security, public interests and the legitimate rights and interests of individuals or organizations as well as whether the cross-border data transfer related contracts or the other legally binding documents to be entered with overseas recipients have fully included the data security protection responsibilities and obligations.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), to further clarify the application scope of the security assessment. According to the provisions, the security assessment is required before any data can be transferred out of China if: (i) a critical information infrastructure operator transfers personal information or important data overseas; (ii) a data processor other than critical information infrastructure operator transfers overseas the important data, or personal information of more than one million individuals (excluding sensitive personal information) or the sensitive personal information of more than 10,000 individuals on a cumulative basis starting from January 1 of a given year.

REGULATIONS ON THE LEASING OF PROPERTY

Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》), which was most recently amended by the SCNPC on August 26, 2019 with effect as of January 1, 2020, 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, lease price, repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are required to register the lease contract with the real estate administration department for filing. According to the Civil Code, failure to register and file the lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the lease contract.

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and coming into force on February 1, 2011, within 30 days after the execution of the housing lease contract, parties to the leasing of housing shall handle the registration and filing procedure of the leasing of housing at the competent construction (real estate) department under government of municipalities directly under the central government, cities and counties where the housing is located for filing. In the event that parties to the leasing of housing fail to handle the registration and filing procedure of the leasing of housing, the competent construction (real estate) department shall order rectification within a time limit. If the rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the "first-to-file" principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the "NIPA").

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office announces trademarks eligible for renewal. Trademark registrants can authorize others via licensing contracts, but licensing details must be filed with the Trademark Office. Failure to file won't affect bona fide third parties. Quality supervision is the licensor's responsibility, and licensees must maintain product quality when using the registered trademark.

Copyright

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

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China's Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration operates on a "first come, first file" basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

REGULATIONS ON LABOR PROTECTION

On June 29, 2007, the SCNPC promulgated the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), as amended on December 28, 2012, together with the Implementing Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008 and the PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and was last amended on December 29, 2018, formalized employees' rights concerning employment contracts, overtime hours, layoffs and the role of trade unions and provides for specific standards and procedures for the termination of an employment contract. In addition, the Labor Contract Law of the PRC requires the payment of a statutory severance pay upon the termination of an employment contract in most cases, including in cases of the expiration of a fixed-term employment contract.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% of the amount overdue per day from the original due date by the relevant authority. If the employer still fails to rectify the failure to make social insurance contributions by such stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Management of Housing Fund (《住房公積金管理條例》) issued by the State Council on March 24, 2019, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

Furthermore, on July 31, 2025, the Supreme People's Court promulgated the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律若干問題的解釋(二)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law, the People's Court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the People's Court shall support such requests in accordance with the law.

REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the "EIT Law"), promulgated by the SCNPC on March 16, 2007, latest amended and effective on December 29, 2018, and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "EITIR") promulgated by the State Council on December 6, 2007, latest amended on December 6, 2024, the enterprise income tax of both domestic and foreign-invested enterprises is unified at 25% with certain exceptions. Enterprises are classified as "resident enterprises" and "non-resident enterprises." Resident enterprises typically pay an enterprise income tax at the rate of 25% while non-resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the reduced tax rate of 10%. Enterprises established under the law of foreign countries or regions whose "de facto management bodies" which is defined as the management bodies that exercise full and substantial control and overall management over the business, productions, personnel, accounts and properties of the enterprises are located in the PRC are considered as PRC tax resident enterprises, and will generally be subject to enterprise income tax at the rate of 25% of their global income.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例), which was promulgated by the State Council and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (中華人民共和國增值稅法), which came into effect on January 1, 2026, upon which VAT Regulations were repealed.

On April 8, 2020, the Relevant Value-Added Tax Policy for the Dealing of Used Vehicles (《關於二手車經銷有關增值稅政策的公告》) was promulgated by the MOF and the STA, which reduced the value-added tax of taxpayers engaged in the sale of used vehicles acquired by them for resale to 0.5% instead of the previously reduced rate of 2% from the original 3%. On September 22, 2023, the MOF and the STA promulgated the Renewal of the Implementation of Relevant Value-Added Tax Policy for the Dealing of Used Vehicles (《關於延續實施二手車經銷有關增值稅政策的公告》), which extended the implementation of Relevant Value-Added Tax Policy for the Dealing of Used Vehicles until December 31, 2027.

Dividends Withholding Tax

Pursuant to the EIT Law and the EITIR, dividends generated after January 1, 2008 and payable by foreign-invested companies in China to their foreign investors that are non-resident enterprises as defined under the law are subject to withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with PRC that provides for a different withholding arrangement. Pursuant to the Arrangement Between the Chinese mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》) (the "Double Tax Avoidance Arrangement") promulgated on August 21, 2006 and last amended on December 6, 2019, where a Hong Kong resident enterprise that holds more than a 25% equity interest in a PRC resident enterprise at any time within 12 consecutive months before receiving the dividend, the competent PRC tax authority may determine the Hong Kong resident enterprise to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement, and the withholding tax rate on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% from 10% applicable under the EIT Law and the EITIR.

However, based on the Notice of the State Administration of Taxation on Certain Issues with Respect to the Enforcement of Dividend Provisions in 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》) promulgated and took effect on February 20, 2009 by the STA, where the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a transaction or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Based on the Notice of the State Administration of Taxation on relevant issues regarding the Recognition of "Beneficial Owners" in Tax Treaties (《國家稅務總局關於認定稅收協定中"受益所有人"有關問題的公告》), which was promulgated by the STA on February 3, 2018 and came into effect on April 1, 2018, a comprehensive analysis will be used to determine beneficial ownership based on the actual situation of a specific case combined with certain principles, and if an applicant is obliged to pay more than 50% of its income to a third country (region) resident within 12 months of the receipt of the income, or the business activities undertaken by an applicant did not constitute substantive business activities including substantive manufacturing, distribution, management and other activities, the applicant was unlikely to be recognized as an beneficial owner to enjoy tax treaty benefits.

REGULATIONS ON OFFSHORE INVESTMENT BY PRC RESIDENTS

Pursuant to the Circular of the State Administration of Foreign Exchange (國家外匯管理局) (the "SAFE") on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "SAFE Circular 37"), promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle ("Overseas SPV") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to the SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People's Congress of the PRC (the "SCNPC") on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "Catalogue"), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "Negative List"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the NDRC and the MOFCOM. The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, "permitted", unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "FIL"), promulgated by the National People's Congress on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "Implementation Regulations for FIL"), promulgated by the State Council on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the MOFCOM and the SAMR promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the "Reporting Measures"), which came into effect on January 1, 2020. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. Pursuant to the Reporting Measures, foreign investors and foreign-invested enterprises who directly or indirectly carry out investment activities in the PRC shall report investment information to the competent departments of commerce by submitting initial reports, change reports, cancellation reports and annual reports.

REGULATIONS ON M&A RULES AND OVERSEAS LISTING

On August 8, 2006, six PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, promulgated the Rules on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "M&A Rules"), which govern the mergers and acquisitions of domestic enterprises by foreign investors. These rules became effective on September 8, 2006, and were revised on June 22, 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC citizens intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC citizens, such acquisition must be submitted to the

MOFCOM for approval. The M&A Rules also require that a special purpose vehicle (SPV), established for overseas listing purposes and controlled directly or indirectly by PRC citizens, shall obtain the approval of the CSRC prior to overseas listing and trading of its securities on an overseas stock exchange.

On July 6, 2021, the General Office of the State Council and General Office of the Central Committee of the Communist Party of China issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC-based overseas-listed companies.

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and five relevant guidelines, which became effective on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provides that an overseas offering and listing is prohibited if there is one of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the country; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws; (iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures also provides that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering and listing by PRC domestic enterprises: (i) the amount of any of the operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer's audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer's business activities are conducted in Chinese mainland, or its principal place of business is located in Chinese mainland, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in Chinese mainland. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, the CSRC, the MOF, the National Administration of State Secrets Protection, and the National Archives Administration promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) on February 24, 2023, which came into effect on March 31, 2023, and at the same time, replaced the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》). These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

REGULATIONS RELATING TO OUR UAE SUBSIDIARIES

Our UAE subsidiaries are primarily engaged in used vehicle trading, trading originating from the Jebel Ali Free Zone (JAFZA) and other relevant free zones for international re-export, as well as conducting trading activities with customers within the UAE exclusively through authorized local distributors or mainland registered entities.

The following section provides a summary of the principal Federal and Free Zone laws and regulations governing the UAE subsidiaries' business activities.

Commercial Licensing and Corporate Regulation

Companies incorporated in Jebel Ali Free Zone (JAFZA) operate as free zone establishment (FZE) governed primarily by:

- Federal Decree-Law No. 32 of 2021 on Commercial Companies (as applicable to free zones),
- The respective free zone company regulations (The Jebel Ali Free Zone Rules 2023 (Ninth Edition), JAFZA Companies Implementing Regulations 2016).

The entities' trading activities are considered commercial activities and are permitted under the JAFZA licensing regimes. All JAFZA entities must obtain a licence specifying their permitted business activities and comply with ongoing reporting, renewal, and compliance obligations, including the maintenance of proper accounting records, submission of audited financial statements, and observance of the Anti-Money Laundering and Ultimate Beneficial Ownership requirements.

Economic Substance, AML/CFT and UBO Requirements

The entities are required to comply with:

- Cabinet Resolution No. 57 of 2020 on Economic Substance Regulations,
- Federal Decree-Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism, and
- Cabinet Resolution No. 58 of 2020 on the Regulation of Beneficial Owner Procedures.

The trading activities are generally classified as "Distribution and Service Centre Business" for ESR purposes, requiring annual ESR notifications and, if applicable, submission of ESR reports demonstrating adequate substance in the UAE (including premises, employees, and expenditure). JAFZA serves as the regulatory authority for ESR filings.

The entities must also maintain accurate UBO registers and ensure compliance with AML/CFT requirements by conducting customer due diligence and reporting suspicious transactions through the goAML platform administered by the UAE Financial Intelligence Unit.

Consumer and Product-Safety Regulation

The sale of products are regulated by Federal Law No. 15 of 2020 on Consumer Protection, implemented through Cabinet Decision No. 66 of 2020 and Ministerial Resolution No. 26 of 2023 ("Consumer Protection Law").

Pursuant to the Consumer Protection Law, a supplier is required, among other obligations, to return or exchange the goods in the event of any defect discovered by the consumer and be liable for any damage resultant from the usage or consumption of goods. Moreover, a provider who provides a defective or damaged product shall be "liable to make good the harm" pursuant to Article 282 of Federal Law 8 of 1985 on Civil Transactions. Generally, a product is considered to be a "defect" if there is any fault in the designing, processing, or manufacturing of the product or it does not conform to the specifications declared by the provider. Article 4 of the Federal Law provides that a supplier shall guarantee the conformity of the commodity with the declared specifications and shall provide a warranty to repair or replace any defective goods within a reasonable period.

Data Collection and Handling Regulation

The Federal Decree-Law No. 45 of 2021 On the Protection of Personal Data (the "UAE Data Protection Law"), which came into force on January 2, 2022, establishes guidelines for the handling of Personal Data (defined in the UAE Data Protection Law as "Any data relating to an identified natural person, or one who can be identified directly or indirectly by way of linking data, using identifiers such as name, voice, picture, identification number, online identifier, geographic location, or one or more special features that express the physical, psychological, economic, cultural or social identity of such person. It also includes sensitive personal data and biometric data."). Our subsidiaries in UAE are subject to data protection and information security requirements as our subsidiaries are responsible for collecting and storing the Personal Data of their employees and customers, including event attendees, such as their contact information and other information which can be used for their identification, including national identification numbers. Failure to comply with the UAE Data Protection Law will result in administrative penalties being imposed by the UAE Data Office or any other applicable regulatory authority, which include but are not limited to fines or other civil penalties. Such penalties may be imposed at the discretion of the UAE Data Office or other regulatory entity.

Under the UAE Data Protection Law, our subsidiaries are required to ensure that any Personal Data or other sensitive information, in particular information relating to their employees, customers, and transaction database, such as contact details, transaction information or personal details of any customers or employees, is held or stored within the UAE and is kept confidential at all times and is not shared with any third party without consent of the customer or other relevant person. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by any applicable laws.

Furthermore, our subsidiaries are required to comply with certain minimum information security requirements prescribed in the UAE Data Protection Law, such as implementing a board-approved information security policy, encryption of card transaction data whilst sharing data externally, conducting IT training for employees on joining and on an annual basis, implementing any changes to their hardware, software, applications, databases, configuration in accordance with formal change control procedures, and ensuring that audits and testing by external experts are conducted on an annual basis.

Our subsidiaries ensure that any Personal Data collected from their customers in the course of their business is collected and processed consensually and in accordance with all applicable data protection rights of the customers. As of the date of this document, our subsidiaries are in compliance with UAE's data protection regulations.

Laws and Regulations Relating to Employment

The governing law for the employer-employee relationships of the companies is the Federal Law No. 33 of 2021 (as amended) on the Regulation of Labor Relations (the "Labor Law").

Whilst DIEZ and DMCC operates as free zone with its own regulatory framework, it remains subject to the Labor Law for employment matters. This means that the rights and obligations of employers and employees within DIEZ and DMCC are aligned with the overarching provisions of the Labor Law, which sets out the minimum standards for employment terms, including working hours, leave entitlements, end-of-service benefits, termination procedures and dispute resolution. The Labor Law includes statutory minimum entitlements in respect of various leave types including annual leave, sick leave, maternity leave, parental leave, study leave, bereavement leave, military service leave and occupational safety as mandated by the Ministry of Human Resources and Emiratisation ("MoHRE").

Laws and Regulations Relating to Taxation

Corporate taxation

Corporate tax (the "CT") is levied on the worldwide taxable income of resident taxable persons, while non-resident taxable persons would typically only be subject to CT on their UAE sourced income under certain circumstances. CT is imposed on a taxable person's taxable income at the standard rate of 9%, provided the first AED375,000 is subject to tax at 0%.

The Federal Decree-Law No. 47 of 2022 (the "CT Law") applies to all taxable persons in the UAE, which includes resident and non-resident persons. A resident person includes among others (a) a juridical person that is incorporated under the applicable legislation of the UAE (including a free zone); (b) a foreign juridical person that is effectively managed and controlled in the UAE; or (c) a natural person who conducts a business or business activity in the UAE. A non-resident person would only constitute a taxable person where it either has a permanent establishment in the UAE, derives state sourced income or otherwise has a nexus in the UAE.

Taxation of Free Zone Persons

A juridical person incorporated, established or otherwise registered in a UAE based free zones (including branches of foreign companies) that meet certain conditions, will be considered as a Qualifying Free Zone Person and will be eligible for a 0% CT rate on its qualifying income. All other non-qualifying income of a Free Zone Person remains taxed at the standard rate of 9%.

Withholding tax

The CT Law currently imposes a withholding tax ("WHT") rate of 0% on state sourced income derived by a non-resident person. As such, any payments made from a UAE source to a non-resident person would not be subject to any WHT in the UAE.

Value-added tax

Value-added tax ("VAT") is imposed at 5% (unless otherwise exempt or zero rated) on every taxable supply of goods and services in the UAE by a taxable person (i.e. a person registered or obligated to register for VAT), and on the import of concerned goods or concerned services in the UAE, as defined in the Federal Decree-Law No. 8 of 2017 on VAT.

Tariffs regulations

UAE is a member of the Gulf Cooperation Council ("GCC") Customs Union and is subject to the import tariff regulations established by the GCC. All foreign imported goods outside the GCC Customs Union are subject to customs tariff rates in accordance with its HS code as listed in the Unified GCC Customs Tariff 2017. It should be noted that goods imported into the UAE's free zones for re-export trade generally do not incur UAE customs duty, but if such goods are sold into the UAE mainland, the relevant customs duty will apply. Typically, the tariff for most consumer goods including electronic products is 5%.