This section sets forth a summary of the most significant rules and regulations that affect our business activities in China or our Shareholders' rights to receive dividends and other distributions from us.

REGULATIONS ON CORPORATION

The establishment, operation and management of companies in China is governed by the PRC Company Law (《中華人民共和國公司法》), which was last amended in 2023 and came into effect on July 1, 2024. The PRC Company Law also applies to foreign investment companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail.

The shareholders' meeting shall be the authority of the company and shall exercise duties and powers in accordance with the PRC Company Law.

Shareholders present at a shareholders' meeting have one vote for each share they hold, except for shareholders of non-ordinary shares and the company's shares held by the company are not entitled to any voting rights.

Shares held by shareholders may be transferred legally. A shareholder should effect a transfer of his/her shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Shares may be transferred by shareholders through endorsement or in any other manner stipulated by the laws or administrative regulations.

REGULATIONS ON FOREIGN INVESTMENT

Law of the PRC on Foreign Investment

The Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, which became effective on January 1, 2020, implements the administrative system of pre-establishment national treatment and negative list to the foreign investments. The State shall accord to the foreign investors and their investments which are not included in the negative list, treatment no less favorable than that which it accords to the domestic investors and their investments.

The Implementation Regulations of Foreign Investment Law (《中華人民共和國外商投資法實施條例》) which became effective on January 1, 2020, provide specific operation rules for the principles of investment protection, investment promotion and investment management in the Foreign Investment Law.

The Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) was promulgated and became effective on February 1, 2026. The Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition)》(《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List (2024)**"), which came into effect on November 1, 2024, sets out the special administrative measures for access of foreign investment such as the requirements in relation to shareholding and senior management. Fields that were not included in the Negative List (2024) shall be regulated according to the principle of equal treatment of domestic and foreign investments.

REGULATIONS ON AUTOMOBILE LEASE, SALES, MAINTENANCE AND INSURANCE

Automobile Lease

According to the Notice on Promoting the Healthy Development of the Automobile Lease Industry (《關於促進汽車租賃業健康發展的通知》) promulgated by the Ministry of Transport of the PRC in 2011, automobile leasing enterprises should obtain the relevant legal qualification documents and carry them with the vehicles. Automobile leasing enterprises shall sign automobile leasing contracts with lessees and provide vehicles that meet technical standards with complete and valid documents, and shall not engage in road passenger or cargo transportation operations without permit. This notice sets out guidelines for the automobile lease industry and requires local governmental authorities to promulgate local rules and regulations to improve and develop the regulatory environment of the automobile operating lease industry. The automobile lease industry is currently primarily regulated by government authorities at local levels, where regulatory requirements vary from one province or city to another.

Pursuant to the Regulations on the Road Transportation of the PRC (《中華人民共和國道路運輸條例》) ("**Road Transportation Regulations**") that was last amended in 2026, any individual or institution that engages in the operation of road transportation shall apply for the road transportation operation license with the competent road transportation authorities and shall also obtain the vehicle operating license for the vehicle that are used for the road transportation. Operators engaged in general freight transport using general freight vehicles with a gross vehicle weight no more than 4,500 kilograms are not required to apply for the road transportation operation license or the vehicle operating license.

The Road Transportation Regulations and the Provisions on Administration of Road Freight Transportation and Stations (Sites) (《道路貨物運輸及站場管理規定》) last amended in 2026, require that any individual or institution applying to engage in operation of road freight transportation shall: (i) possess transport vehicles that are suitable for its business operations and have passed the required inspections; (ii) have drivers who are under 63, hold motor vehicle driver's license appropriate for the vehicles to be driven and have passed requisite knowledge tests and obtained qualification certificates (excluding drivers operating general freight vehicles with a gross vehicle weight no more than 4,500 kilograms), and (iii) have sound management systems for safe operation. Road freight transport operators shall conduct freight transportation operation within the scope of business specified on its road transportation operation license and shall not transfer or lease such license to others.

Automobile Sales

According to the Measures for the Administration of Automobile Sales (《汽車銷售管理辦法》), which were promulgated by the MOFCOM and became effective on July 1, 2017 the dealers shall within 90 days from the date of obtaining their business licenses, file the basic information through the "National Information Management System for Automobile Circulation" of the commerce authorities of the State Council. Where there is any change to such basic information, the update shall be made within 30 days of the date of the change. The dealers shall also report the number, type and other information of the automobile sales through such system as required by the commerce authorities of the State Council. In case of any violation of such filing obligation, the competent local commerce departments at or above county level shall make rectification order, and issue a warning or impose a maximum fine of RMB10,000.

On August 29, 2005, MOFCOM, the Ministry of Public Security, State Administration for Industry and Commerce, and State Administration of Taxation together promulgated the Administrative Measures for Trade of Used Vehicles (《二手車流通管理辦法》), which were amended on September 14, 2017. On November 22, 2005, MOFCOM further promulgated the Notice on Issues Concerning the Implementation of the Administrative Measures for Trade of Used Vehicles (《商務部辦公廳關於實施<

二手車流通管理辦法>有關問題的通知》). According to aforesaid regulations, any operator of used vehicles that has been legally registered with the relevant administrative authorities for industry and commerce and obtained the business license shall file with the competent commerce authorities at the provincial level within two months from the date of obtaining the business license, and such operator shall establish complete records for trading, buying and selling, auctioning, brokering, as well as appraisal and evaluation of used vehicles and regularly report information such as the trading volume and transaction value and other information of used vehicles to the competent commerce authorities at the provincial level through local commerce authorities. In addition, dealers of used vehicles shall, when selling used vehicles, provide quality assurance as well as after-sales services, and make them clearly publicized in its business place.

Automobile Maintenance

According to the Road Transportation Regulations, anyone who is engaged in operation of motor vehicle maintenance shall file with the local transport authorities at the county level. The enterprises operating in the motor vehicle maintenance shall meet the following conditions: (i) having corresponding sites for motor vehicle maintenance; (ii) having necessary equipment, facilities and technicians; (iii) having a sound management system for motor vehicle maintenance; and (iv) having necessary environmental protection measures. The operators that engage in motor vehicle maintenance shall publicize the hours and fees for motor vehicle maintenance and charge reasonable fees. After the completion of maintenance service, a detailed list of the maintenance costs shall be provided.

The Provisions on the Administration of Motor Vehicle Maintenance (《機動車維修管理規定》), which were last amended on November 10, 2023, stipulate that enterprises engaged in motor vehicle maintenance and operation business shall, after going through relevant registration procedures with the market regulatory authorities in accordance with the laws, complete the record filing with the transportation authorities at the county level in the place of their location. The business operations of motor vehicle maintenance shall be classified into four categories according to the maintenance objects, i.e. business operations of auto maintenance, business operations of maintenance of vehicles that transport dangerous goods, business operations of motorcycle maintenance and business operations of other motor vehicle maintenance. The business operations of auto maintenance are classified into business operations of Grades I, II and III according to business projects and service capacity. The operators engaged in motor vehicle maintenance shall provide maintenance services within the filed business scope.

EV Charging Facilities Operation

The NDRC, the National Energy Administration, MIIT, and MOF jointly promulgated the Action Plan for Enhancing the Charging Infrastructure for New Energy Vehicles in November 2018, which encourage collaboration among companies in the vehicle manufacturing, charging infrastructure operations, and mobility services sectors to promote the professional development of charging services. The General Office of the State Council issued the Development Plan for the New Energy Vehicle Industry (2021–2035) in October 2020, aiming to guide enterprises to jointly establish operation service platforms for charging facilities to achieve interoperability, information sharing, and unified billing.

Traffic Accident and Automobile Insurance

According to the Law of the PRC on Road Traffic Safety (《道路交通安全法》) (the “**Traffic Law**”) last amended on April 29, 2021, the State applies a compulsory third party liability insurance system to motor vehicles. Pursuant to relevant provisions of the Regulation on Compulsory Insurance for Liability for Traffic Accidents of Motor Vehicles (《機動車交通事故責任強制保險條例》) last amended on March 2, 2019, the owner or manager of a motor vehicle driving on the roads within the PRC shall purchase the compulsory insurance for liability for traffic accidents of motor vehicles in accordance with the provisions of the Traffic Law. The compulsory insurance for liability for traffic accidents of motor vehicles refers to the compulsory liability insurance of an insurance company which compensates the victims other than the personnel in the motor vehicles and the insured for their personal injuries and death as well as property losses arising from the road traffic accidents caused by the insured motor vehicles within the scope of limit of liability for the compulsory insurance for liability for traffic accidents of motor vehicles.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), where the owner, manager, or user of a motor vehicle are not the same person in leasing, borrowing, or the other like situations, and a traffic accident occurs and causes damage, the user of the motor vehicle shall bear the liability for compensation where the liability is attributed to the motor vehicle driver, and the owner or manager of the vehicle who is at fault shall assume the corresponding liability for compensation.

According to the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Hearing of Cases Involving Compensation for Damages in Road Traffic Accidents (《最高人民法院關於審理道路交通事故損害賠償案件適用法律若干問題的解釋》), which was last amended with effect on January 1, 2021, where damages are caused by a traffic accident of motor vehicle, the court shall determine that the owner or manager of that motor vehicle has fault for the damages if the owner or manager (i) knows or should know that the motor vehicle has a defect which constitutes one of the causes for the traffic accident, (ii) knows or should know that the driver of the motor vehicle does not meet the driving requirements or has not acquired corresponding driving qualifications; (iii) knows or should know that the driver shall not have driven that motor vehicle for drinking, taking psychoactive drug or narcotic controlled by the state, or having any disease that obstructs safe driving of motor vehicle; or (iv) has any other fault for the traffic accident.

REGULATIONS ON CYBERSECURITY AND DATA SECURITY, AND PERSONAL INFORMATION PROTECTION

PRC Cybersecurity and Data Security

The PRC Cybersecurity Law (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), provides that network operators must set up internal security management systems that meets the requirements of a classified protection system for cybersecurity.

The Cybersecurity Review Measures (《網絡安全審查辦法》) provide that (i) network platform operators in possession of over one million users' personal information shall apply for a cybersecurity review when listing in a foreign country; (ii) operators of "critical information infrastructure" that intend to purchase network products and services that will or may affect national security shall apply for a cybersecurity review; and (iii) network platform operators carrying out data processing that will affect or may affect national security shall apply for a cybersecurity review.

The PRC Data Security Law (《中華人民共和國數據安全法》) provides a national data security review system. The State Council published the Cyber Data Security Administrative Regulation (《網絡數據安全管理條例》), which provides that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations.

The Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021, refer "critical information infrastructures" as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people's livelihood, or public interests in the event of damage, loss of function, or data breach. Pursuant to the Regulations for the Security Protection of Critical

Information Infrastructure, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

The CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which became effective on September 1, 2022. The Security Assessment Measures require that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-Border Data Flow (《促進和規範數據跨境流動規定》) (the "**Cross-Border Data Flow Provisions**"), which provide the following circumstances under which data processors shall apply for security assessment of cross-border data transfer: (i) critical information infrastructure operators providing personal information or important data overseas; and (ii) data processors other than critical information infrastructure operators providing important data overseas, or cumulatively providing overseas personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of the current year. "Important data" is defined under Security Assessment Measures as any data, the tampering, damage, leakage, or illegal acquisition or use of which, may endanger national security, the operation of the economy, social stability, public health and security, etc. In addition, the Cross-Border Data Flow Provisions clarify that data processors are not required to conduct security assessment for outbound data transfer for data that has not been notified or published as "important data" by relevant departments or regions. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

Personal Information Protection

The Civil Code of the PRC (《中華人民共和國民法典》) provides that a natural person's personal information shall be protected by the law.

The Cybersecurity Law imposes certain data protection obligations on network operators,

According to the Several Provisions for the Administration of the Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》), automobile data includes the personal information data and important data involved in the process such as the design, manufacturing, sale, use, operation or maintenance of automobiles. Automobile data processors refer to organizations that carry out any activity of processing automobile data, including the collection, storage, use, processing, transmission, provision, and disclosure of automobile data. The processing of automobile data by a automobile data processor shall be in a lawful, legitimate, specific and specified manner and directly relevant to the design, manufacturing, sale, use, operation or maintenance of automobile. Furthermore, automobile data processors to carry out any activity of processing of important data shall conduct risk assessment in accordance with the relevant regulations and submit the risk assessment report to the cyberspace authorities at provincial level as well as the relevant authorities. Important data shall be stored within China in accordance with the laws, and if it is necessary to provide any important data to a recipient outside China due to a business need, the provision shall have passed a security assessment organized by the national cyberspace authority in conjunction with relevant authorities under the State Council. A automobile data processor carrying out any activity of processing of important data shall report certain information on its annual automobile data security management to the cyberspace authority at provincial level as well as the relevant authorities before December 15 of each year.

The PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) provides that processing of personal information shall be for a specified and reasonable purpose, and shall be conducted for a purpose directly relevant to the purpose of processing and in a way that has the least impact on personal rights and interests.

REGULATIONS ON PROPERTY LEASING

Pursuant to Administrative Measures on the Lease of Commodity Housing (《商品房屋租賃管理辦法》), parties to a lease agreement shall complete the lease registration and filing process with the competent construction (real estate) departments within 30 days after the lease agreement is signed.

REGULATIONS ON SAFE PRODUCTION, ENVIRONMENTAL PROTECTION AND FIRE SECURITY

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) which was last amended on June 10, 2021, production and business operation entities shall satisfy the conditions for safe production as provided in laws, administrative regulations, and national/industrial standards. Enterprises shall provide education and training to employees on work safety and articles of labor protection which meet the national or industrial standards, and supervise and guide employees to wear and use of these articles according to instructions.

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), construction projects that have environmental impact shall be subject to an environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project.

Pursuant to the Law of the People's Republic of China on Environment Impact Assessment (《中華人民共和國環境影響評價法》), the State implements a classification-based management of the environmental impact assessment of construction projects according to the impact of the construction projects on the environment.

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) provides that the fire prevention design and construction of a construction project must conform to the national fire prevention technical standards.

According to the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), a special construction project shall be subject to fire protection design review before commences construction and shall be subject to fire protection inspection before put into use. Construction projects other than a special construction project shall be subject to fire protection inspection recordation, and the competent department of housing and urban-rural development shall conduct a random fire protection inspection thereof.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administration Regulations (《中華人民共和國外匯管理條例》), Renminbi is freely convertible for current account items, but not for capital account items, unless prior approval is obtained from SAFE, and prior registration with SAFE is made.

According to the Notice on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), and the Notice on Reforming and Standardizing the Foreign Exchange Settlement

Management Policy of Capital Account (《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》), the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign investment company is regulated.

The Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《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》), on the premise of ensuring that the use of funds is genuine and compliant and in line with the existing regulations on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital account income such as capital funds, foreign debt, fund raising from overseas listings, without providing the authenticity proof materials to the bank in advance for each payment.

Pursuant to the Notice on Issues Concerning Fund Management for Overseas Listing of Domestic Enterprises (《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 and implemented on April 1, 2026, domestic enterprises which will be listed overseas shall apply to a bank within the provincial or planned-city jurisdiction of their registered location to complete the overseas listing registration within 30 working days from the first trading day of the overseas listing or upon completion of the over-allotment. Funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. Where such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending, and other businesses, the domestic enterprise shall obtain approval or filing documents from the competent regulatory authorities before the date of completion of the overseas issuance or the over-allotment option and shall comply with relevant cross-border fund administration provisions.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

The SCNPC promulgated the PRC Copyright Law (《中華人民共和國著作權法》), which was most recently amended in 2020. The Implementing Regulations of the PRC Copyright Law (《中華人民共和國著作權法實施條例》) were most recently amended in 2013. Pursuant to the amended PRC Copyright Law, products disseminated over the internet and software products, among others, are entitled to copyright protection.

The State Council and National Copyright Administration, have promulgated various rules and regulations relating to the protection of software in China, including the Regulations on Protection of Computer Software (《計算機軟件保護條例》) and the Measures for Registration of Copyright of Computer Software (《計算機軟件著作權登記辦法》). According to these rules and regulations, software owners, licensees and transferees may register their rights in software and obtain software copyright registration certificates.

The MIIT promulgated Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》). The efforts to undertake internet domain name services as well as the operation, maintenance, supervision and administration thereof and other relevant activities within the territory of the PRC shall thereafter be made in compliance with this measures.

The PRC Trademark Law (《中華人民共和國商標法》), with its implementation rules, protects registered trademarks. The Trademark Office of the SAIC handles trademark registrations and grants a protection term of ten years to registered trademarks.

According to the PRC Patent Law (《中華人民共和國專利法》), a patentable invention or utility model must meet three conditions, e.g. novelty, inventiveness and practical applicability. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design, starting from the application date.

REGULATIONS ON TAX IN THE PRC

Principal Taxation of Our Company

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and the Regulations for the Implementation of the Law on Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法實施條例》) (collectively, the "**EIT Law**"), taxpayers consist of resident enterprises and non-resident enterprises. The rate of enterprise income tax shall be 25%, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), along with the Implementation Regulations for the Value-added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》) which was issued on December 25, 2025, and effective from January 1, 2026, entities and individuals engaged in the sale of goods, services, intangible assets, or real estate within China, or importing goods to China, shall be identified as taxpayers of value-added tax, and shall pay value-added tax.

Dividends Distribution

Pursuant to the PRC Company Law, when a company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in the company's statutory reserve. A company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital. If a company's statutory reserve is insufficient to cover previous years' losses, the current year's profits shall first be used to cover such losses before statutory reserve is set aside. After a company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders' meeting, set aside an amount for discretionary reserve from its after-tax profits. Furthermore, dividends paid by a PRC entity to a non-resident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China.

Taxation on Dividends

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), and the Regulations for the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), dividends paid by PRC enterprises to individual investors are generally subject to a proportional tax rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty. In addition, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》), the income gained by individual foreigners from dividends of foreign-invested enterprises is exempted from individual income tax for the time being.

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China, and the enterprise income rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source.

The Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-PRC Resident Enterprise Holding H Shares of the Enterprises (《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》), further clarifies that PRC resident enterprises should, in distributing dividends for year 2008 or any year thereafter to non-resident enterprises holding H-shares of the enterprises, withhold enterprise income tax for such dividends at a tax rate of 10%. The Reply on Issues Concerning Levying Enterprise Income Tax on Dividends of B Shares and Other Shares Obtained by Non-resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), further provides that where PRC resident enterprises that have shares (A shares, B shares and overseas shares) publicly issued and listed in and outside of the PRC distribute dividends of year 2008 or any year thereafter to non-resident enterprise shareholders, enterprise income tax at the rate of 10% shall be withheld. Where non-resident enterprise shareholders need to enjoy tax treatments specified in tax treaties, relevant provisions of tax treaties shall apply.

Taxes on Income from Share Transfer

According to the relevant regulations on individual income tax, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of shares of PRC resident enterprises.

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China (including gains from the disposal of shares of PRC resident enterprises) and the enterprise income tax rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

REGULATIONS ON LABOR

According to the Labor Law of the PRC (《中華人民共和國勞動法》), enterprises shall establish and improve their system of work place safety and sanitation, strictly abide by state rules and standards on work place safety, and conduct employees training on labor safety and sanitation in the PRC.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), and the Implementation 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》) set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively.

Employers in the PRC are required to contribute, for and on behalf of their employees, to a number of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing fund. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work-related Injury Insurance (《工傷保險條例》), and the Regulations on Management of the Housing Fund (《住房公積金管理條例》).

REGULATIONS ON SECURITIES AND OVERSEAS [REDACTED]

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), comprehensively regulates activities in the PRC securities market and further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing its securities to be traded overseas shall comply with the relevant provisions of the State Council.

Overseas [REDACTED]

The Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five supporting guidelines came into effect on March 31, 2023. The Trial Measures refine the regulatory system by subjecting both direct and indirect overseas offering and listing activities to the CSRC filing-based administration. Requirements for filing entities, time points and procedures are specified. Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas and a subsequent offering shall be filed with the CSRC within the timeframe required by the Trial Measures.

We submitted a filing to the CSRC for **[REDACTED]** of the **[REDACTED]** and **[REDACTED]** of the Shares on the Stock Exchange on **[REDACTED]** and the CSRC published the notification on our completion of the required filing procedures on **[REDACTED]**.

Full Circulation of H Shares

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》), which were amended on August 10, 2023. Shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements under relevant laws and regulations and the policies governing state-owned asset administration, foreign investment and industry regulation are met. Meanwhile, the H-share listed company may be entrusted to file the application for "full circulation" with the CSRC. An unlisted domestic joint stock company may apply with the CSRC for "full circulation" at the time of its application for initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to entrust the domestic company to file with the CSRC on their behalf.