REGULATIONS ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

The Action Plan for Carbon Dioxide Peaking in Industrial Sectors (《工業領域碳達峰實施方案》) issued by the MIIT, NDRC and MEE mandates expanding green and low-carbon product supply in transportation, promoting energy-saving and new energy vehicles (NEVs), advancing vehicle integration technological innovation and raising NEV industry concentration. It requires increasing NEV penetration in urban public transport, postal services, sanitation, urban logistics and personal consumption. By 2030, around 40% of newly added vehicles shall be NEV and clean energy-powered, with the CO_2 emission intensity of new passenger and commercial vehicles dropping by over 25% and 20% respectively compared with 2020.

The Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Comprehensive Green Transition of Economic and Social Development (《中共中央國務院關於加快經濟社會發展全面綠色轉型的意見》) stipulates that China will boost the development of non-fossil energy to account for around 25% of total energy consumption by 2030. It calls for promoting low-carbon transport tools, popularizing new energy vehicles, advancing the electrification of urban public service vehicles, and expanding the application of clean power for ships, aircraft and non-road mobile machinery. The document also requires accelerating the phase-out of obsolete transportation means, advancing zero-emission freight transport, strengthening R&D and application of sustainable aviation fuels, and encouraging the R&D, production and application of net-zero emission marine fuels. By 2030, the carbon emission intensity per unit of converted turnover of operating transportation vehicles will drop by about 9.5% compared with 2020, and new energy vehicles will become the mainstream of newly sold vehicles by 2035.

The Ministry of Industry and Information Technology (MIIT) and other competent authorities issued the Implementation Plan for Digital Transformation of the Electronic Information Manufacturing Industry (《電子信息製造業數字化轉型實施方案》), which aims to accelerate the industry's high-end, intelligent, green and integrated development, and underpin the advancement of new-type industrialization and the development of a modern industrial system. By 2027, the new-type information infrastructure for the industry's digital and intelligent upgrading will be basically completed, with the digitalization rate of key processes of above-designated-size enterprises exceeding 85%. By 2030, a relatively complete data infrastructure system for the industry will be established, and its industrial database will be basically completed.

According to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), hazardous waste generators must store, utilize and dispose of such waste in accordance with national provisions and environmental protection standards, and shall not arbitrarily dump or pile it up. Entities engaged in the collection, storage, utilization and treatment of hazardous waste shall apply for and obtain a relevant permit, with hazardous waste defined in the latest version of the National Catalogue of Hazardous Wastes (《國家危險廢物名錄》) issued by the Ministry of Ecology and Environment and other authorities. The Jiangsu Province Regulation on the Prevention and Control of Environmental Pollution by Solid Waste (《江蘇省固體廢物污染環境防治條例》) requires industrial solid waste generators to accurately record the type, quantity, flow direction, storage, utilization and disposal of such waste through the dedicated solid waste pollution prevention and control information platform.

REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and management of companies in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》). According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited companies. The PRC Company Law applies to both PRC domestic companies and foreign investment companies. The Ministry of Commerce of the PRC (the "MOFCOM") and the State Administration for Market Regulation of the PRC (the "SAMR") promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》). Where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-invested

enterprises shall report investment information to commerce departments. According to the Measures for the Reporting of Foreign Investment Information, a listed foreign-invested company is required to, when the change of foreign investors' shareholding ratio accumulatively exceeds 5% or the foreign party's controlling or relatively controlling status changes, report the information on the modification of investors and the shares held by them. MOFCOM and NDRC promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the Negative List (2024).

The NPC approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), and the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

Requirements or Standards on Cockpit Solution and Products

The "National Guidelines for the Construction of the Industrial Standard System for Vehicles Connectivity (Intelligent and Connected Vehicles) (2023 Edition)" (國家車聯網產業標準體系建設指南(智能網聯汽車)(2023版)) were jointly revised and issued by the Ministry of Industry and Information Technology (工業和信息化部) and the Standardization Administration of the People's Republic of China (國家標準化管理委員會). The guideline primarily focuses on the universal norms, core technologies, and key product applications of intelligent and connected vehicles, aiming to establish a comprehensive standard system that encompasses the basics, technologies, products, and testing standards for intelligent and connected vehicles.

The China Association of Automobile Manufacturers released the Automotive Intelligent Cockpit Interaction Experience Test and Evaluation Procedures (Draft for Comments) (《汽車智能座艙交互體驗測試評價規程(徵求意見稿)》), which stipulates the terminology and definitions, the evaluation index system, the classification of grades, and the test and evaluation methodology of the Automotive Intelligent Cockpit Interaction Experience Test and Evaluation Procedures. The Automotive Intelligent Cockpit Interaction Experience Test and Evaluation include the evaluation on usefulness, safety, efficiency, cognition, intelligence, value, and aesthetics.

According to the Guideline for Developing National Vehicles Connectivity Industry Standard System (Electronic Products and Services) (《國家車聯網產業標準體系建設指南(電子產品和服務)》), it mainly aims at the standardization of automotive electronic products, in-vehicle information systems, and in-vehicle information services and platforms that underpin the IoV industry chain, and clarifies the development direction of standardization of IoV electronic products and in-vehicle information services. Moreover, according to the construction method of the technical logical structure and product physical structure of intelligent connected vehicles, taking into account different functional requirements, product and technology types, and information flow between various subsystems, the government defines the standard system framework of intelligent connected vehicles as four parts: "Foundation," "General Specifications," "Product and Technology Applications," and "Relevant Standards." General Specifications put forward the overall requirements and specifications from the vehicle level, mainly including function evaluation, human-machine interface, function safety and information safety, etc. Product and Technology Applications mainly cover the functions, performance requirements, and testing methods of core technologies and applications of intelligent connected vehicles, such as information perception, decision warning, auxiliary control, automatic control, and information interaction. Relevant Standards mainly include communication protocols, the foundation of vehicle information communication, which mainly covers protocol specifications on medium, short-range

communication, wide area communication and other aspects of the realization of intelligent information interaction among vehicles (individual passengers, vehicles, roads, clouds, etc.), and they also include standard specifications for software and hardware interface between various physical layers and different application layers.

The state officially released three national mandatory standards, including "Technical Requirements for Information Security of Complete Automobiles" (《汽車整車信息安全技術要求》), "General Technical Requirements for Automotive Software Upgrades" (汽車軟件升級通用技術要求), and "Data Recording System for Autonomous Driving of Intelligent and Connected Vehicles" (《智能網聯汽車自動駕駛數據記錄系統》). The implementation of these standards will impose specific requirements on the information security of intelligent connected vehicles, encompassing but not limited to data encryption, access control, security vulnerability management, emergency response, and other aspects.

According to the Interim Provisions on Radio Management of Automobile Radar (《汽車雷達無線電管理暫行規定》), the automobile radar equipment manufactured or imported for domestic sale or use shall comply with the RF Technical Requirements for Automobile Radar and apply for the radio type approval of the radio transmitting equipment from the national radio administration agency.

The "On-board Wireless Communication Terminal" (《車載無線通信終端》) (GB/T 43187-2023) is a national recommended standard that stipulates the technical requirements for on-board wireless communication terminals. It also outlines the testing methods and inspection rules for these terminals, providing detailed specifications for various aspects such as communication performance, electromagnetic compatibility (EMC), environmental adaptability, and durability.

The National Standardization Administration Committee (國家標準化管理委員會) issued the third batch of recommended national standard plans for 2023. Among them, five significant national standard projects in the field of intelligent and connected vehicles, including "Technical Requirements and Test Methods for Intelligent and Connected Vehicle Control Operating Systems" (《智能網聯汽車車控操作系統技術要求及試驗方法》) submitted by the National Technical Committee on Automobile Standardization (全國汽車標準化技術委員會), were officially approved and initiated. This standard stipulates the technical requirements, information security requirements, functional safety requirements, and corresponding test methods for intelligent driving operating systems and safe vehicle control operating systems.

REGULATIONS ON PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior disclosure is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased products, the seller shall compensate for such losses.

The Civil Code of the PRC (《中華人民共和國民法典》) (the "Civil Code") was adopted by the NPCSC, according to which, a manufacturer or a commercial seller is subject to liability for harm to persons or property caused by the product defects. The infringed may seek compensation from the manufacturer or the commercial seller. Where the infringed seeks compensation from the commercial seller, the commercial seller shall have the right to make a claim against the liable manufacturer after it has made compensation.

According to the Administrative Regulations on Compulsory Product Certification (《強制性產品認證管理規定》), relevant products stipulated by the state must undergo certification ("Compulsory Product Certification") and be marked with the China Compulsory Certification mark before they can leave the factory, be sold, imported, or used in other business activities. The

state implements a unified product catalog subject to certification, unified mandatory technical requirements, standards and conformity assessment procedures, unified certification marks, and a unified fee standard for products subject to compulsory product certification.

REGULATIONS ON THE IMPORT AND EXPORT OF GOODS

In accordance with the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), and the Notice on Matters Relating to the Filing of Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》), the consignee or consignor of imported or exported goods applying for filing should obtain the qualification of the market entity, but no filing for foreign trade operators is required.

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》), respectively, the consignee of imported goods, the consignor of exported goods, and the owner of inbound and outbound goods are the taxpayers of customs duties, customs declaration and tax payment procedures may be completed by the consignee or consignor of the imported and exported goods, or the consignee or consignor of import and export goods may entrust a customs declaration enterprise to complete the customs declaration and tax payment procedures. Customs declaration units refer to the consignee or consignor of the imported and exported goods and the customs declaration enterprises filed with the customs in accordance with the Regulations of the People's Republic of China on the Administration of the Record of Customs Declaration Units (《中華人民共和國海關報關單位備案管理規定》). Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities.

According to the Law of the People's Republic of China on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》), the General Administration of Customs is responsible for the inspection of import and export commodities nationwide. Entry-exit inspection and quarantine authorities are responsible for inspecting commodities listed in the official catalog and other commodities subject to mandatory inspection as stipulated by applicable laws and administrative regulations. Imported commodities subject to compulsory inspection shall not be sold or used until they have passed the inspection. Export commodities subject to inspection shall not be exported if they have not been inspected or have failed the inspection.

According to the Regulations of the People's Republic of China on the Administration of the Import and Export of Goods (the "Goods Import and Export Regulations", 《中華人民共和國貨物進出口管理條例》), enterprises engaged in import or export trading activities involving goods entering or leaving the PRC territory must comply with the provisions of the Goods Import and Export Regulations: goods prohibited from import and export shall not be imported or exported; goods restricted from import and export are subject to a licensing system or a quota system; freely imported and exported goods are not subject to any restrictions. The consignee of imported goods or the consignor of exported goods shall submit an automatic import/export license, import/export license, or quota certificate to the customs to complete customs clearance procedures.

The Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) is China's first comprehensive and integrated export control law, which sets out provisions for the export control of dual-use goods, military supplies, nuclear energy products, goods related to the protection of national security and interests and other commodities, science and technology, services and goods, as well as fulfilling the responsibilities related to the international prohibition of nuclear proliferation.

The tariff payment for imported goods into China is primarily determined by classifying the goods according to the Import Tariff Schedule in the "Customs Import and Export Tariff of the People's Republic of China" ("中華人民共和國進出口稅則"). Each tariff item typically corresponds to multiple rates, including the Most-Favored-Nation (MFN) rate, agreement rate, preferential rate, and general rate, with the applicable rate depending on the country of origin.

REGULATIONS ON CYBERSECURITY, DATA PRIVACY AND PROTECTION

Cybersecurity and Data Protection

The Cybersecurity Law of the People's Republic of China (the "Cybersecurity Law,"《中華人民共和國網絡安全法》), requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity incidents, to prevent criminal activities committed on the network, and to maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger cybersecurity or use networks to engage in activities endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. Any violation of the provisions and requirements under the Cybersecurity Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permits, cancellation of business license, closedown of websites or even criminal liabilities.

The Data Security Law of the People's Republic of China (the "Data Security Law,"《中華人民共和國數據安全法》). The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permits or even criminal liabilities.

The Personal Information Protection Law of the PRC (the "Personal Information Protection Law,"《中華人民共和國個人信息保護法》) reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances. It also stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, inclusion in relevant credit record, or even criminal liabilities.

The Measures for Cybersecurity Review specifies that the procurement of network products and services by critical information infrastructure operators and the activities of data processing carried out by online platform operators, that raise or may raise "national security" concerns are subject to strict cybersecurity review by the Office of Cybersecurity Review established by the CAC. In addition, an online platform operator that possesses the personal information of more than one million users must apply for a cybersecurity review by the Cybersecurity Review Office, if it plans on listing companies in foreign countries. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the Cybersecurity Law and the Data Security Law.

The State Council promulgated the Regulations on Cyber Data Security Management. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

The MIIT issued the Measures for the Administration of Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》). The measures are aimed to regulate the processing activities of data in the field of industry and information technology field conducted by relevant data processors in China. The measures apply to industrial enterprises, software and information technology service companies, and companies holding licences for operation of telecommunication services that independently determine the purposes and methods of data processing in the course of data processing activities.

Pursuant to the measures, data in the field of industry and information technology includes industrial data, telecommunication data, and radio data generated and collected during the operation of relevant services. The measures provide for the classification of data in the field of industry and information technology as general, important, or core data, and provide specific requirements for the management of data classifications and data protection measures. Data processors processing important data and core data are required to complete filing with relevant authorities for the catalogue of important data and core data. If over 30% of the quantity (i.e. number of data items or amount of data stored) of important and core data changes or there is any material change to other filing information, data processors must update.

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》). According to the provisions, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the critical information infrastructure operator intends to provide important data or personal information overseas; (ii) where the data processor other than critical information infrastructure operators intends to provide important data overseas; (iii) where the data processor other than critical information infrastructure operators, 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.

The CAC, the NDRC, the MPS, the MIIT and the Ministry of Transport jointly promulgated the Several Provisions on Automobile Data Security Management (Trial Implementation) (the "Provisions on Automobile Data Security," 《汽車數據安全管理若干規定(試行)》) and aims to regulate the collection, analysis, storage, utilization, provision, publication, and cross-border transfer of personal information and important data involved in the process of automobile design, manufacture, sales, use, operation and maintenance, among others. To process personal information, automobile data processors shall obtain the consent of the individual or conform to other circumstances stipulated by laws and regulations. Pursuant to the Provisions on Automobile Data Security, important data related to automobiles shall in principle be stored within the PRC and a security assessment of cross-border data transfer shall be conducted by the national cyberspace administration authority in concert with relevant departments under the State Council if it is indeed necessary to provide such data overseas. To process important data, automobile data processors shall conduct risk assessments in accordance with regulations and submit risk assessment reports to related departments at provincial levels.

Privacy Protection

The Decision Regarding the Protection of Cybersecurity (《關於維護互聯網安全的決定》), provides that the following activities conducted through the internet, if constituting a crime under the Criminal Law, are subject to criminal punishment: (i) hacking into a computer or system of strategic importance; (ii) intentionally inventing and spreading destructive programs to attack computer systems and communications networks, and damaging computer systems and the communications networks; (iii) violation of national regulations or discontinuing computer network or communications services without authorization; (iv) disseminating politically disruptive information or divulging state secrets; (v) spreading false commercial information; or (vi) infringing on intellectual property rights.

The MIIT promulgated the Several Provisions on Regulating the Market Order of Internet Information Service (《規範互聯網信息服務市場秩序若干規定》). Internet information service providers shall obtain user consent before collecting users' personal information, shall clearly inform users of the methods, content, and purposes of collecting and processing users' personal information, and shall properly safeguard users' personal information.

In addition, pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》), and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), any collection and use of a user's personal information must abide by the principles of legality, legitimacy and

necessity, explicitly state the purpose, manners and scopes of the information collection and uses, obtain the consent of the user. Internet information service providers must strictly keep confidential the collected users' personal information, shall not disclose, alter, damage, sell, or provide it to others. Internet information service providers shall take technical measures and other necessary measures to prevent the collected personal information from being disclosed, damaged, or lost without authorization.

The NPC adopted the Civil Code of the PRC (《中華人民共和國民法典》). According to the Civil Code, individuals have the right of privacy. No organization or individual shall process any individual's private information or infringe an individual's right of privacy, unless otherwise prescribed by law or with the consent of such individual or such individual's guardian.

The Personal Information Protection Law requires, that (i) the processing of personal information should have a clear and reasonable purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities processing personal information bear responsibilities for their activities of processing personal information, and shall adopt necessary measures to safeguard the security. Otherwise, the entities processing personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

The NPCSC issued the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》), stipulates that any network service provider that fails to fulfill the obligations related to information network security management and refuses to take corrective measures after the regulatory authorities order them to correct the non-performance, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) serious consequence due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

REGULATIONS ON TELECOMMUNICATIONS EQUIPMENT NETWORK ACCESS

According to Measures for the Administration of Telecommunications Equipment Access to the Network (《電信設備進網管理辦法》), the State applies a network access licensing system to telecommunications terminal equipment, radio communication equipment and telecommunications equipment involving interconnection of public telecommunications networks. The telecommunications equipment subject to the network access license system must obtain the network access license; without access to the network license, may not access the public telecommunications network to use and sell in the country.

REGULATIONS ON WORK SAFETY

Under relevant construction safety laws and regulations, including the PRC Work Safety Law (《中華人民共和國安全生產法》), production and operating business entities improve the working environment and conditions for workers. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets national or industrial standards.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》), the safety facilities of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

REGULATIONS ON FIRE PREVENTION

According to the Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) 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》) special construction projects that have not passed the fire prevention inspection or the fire prevention inspection are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be stopped.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection Law

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), or the Environmental Protection Law. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impacts 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. Such installations shall not be dismantled or left idle without authorization.

Laws on Environment Impact Assessment

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), an construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, the construction employer shall, before the commencement of construction, submit an environmental impact report or the environmental impact statement to the relevant authority for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority, the construction employer shall not commence the construction.

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 Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared; and (iii) for projects with very small environmental impacts, an EIS is not required but an EIR form shall be completed.

Pollutant discharge permits

According to the Catalogue of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (《固定污染源排污許可分類管理名錄》), the PRC implements key management, simplified management and registration management of pollutant discharge permits. For pollutant discharging entities subject to registration management, applications for pollutant discharge permits are not required.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (排污許可管理辦法), enterprises, public institutions and other producers and operators under the administration of discharge permits (referred to as "discharge units") shall apply for and obtain a pollutant discharge license and discharge pollutants in accordance with the provisions of the discharge permit. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (固定污染源排污許可分類管理名錄(2019年版)), key management, simplified management and registration management of pollutant discharge permits are implemented, and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

According to the Regulations on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》), enterprises and other production operators that implement pollutant discharge licencing management (the "pollutant discharging entities") shall apply for pollutant discharge permits, and shall not discharge pollutants without obtaining the pollutant discharge permits. Pollutant discharging entities are classified into key management and simplified management. The pollutant discharge permit is valid for five years. If a pollutant discharging entity intends to continue to discharge pollutants, it shall submit an application for renewal to the approving authority prior to the permit's expiration.

REGULATIONS ON LAND, PLANNING AND ENGINEERING CONSTRUCTION

Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》), the land of the PRC is either State-owned or collectively-owned. Except for land which is legally owned by the State or has been expropriated as State-owned according to law, all of which is collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory use term and planned use scope. Permanent buildings cannot be built on the land for temporary use, and the term of use of the land shall generally not exceed two years.

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), the real estate registration shall be conducted by the real estate registration authorities of the people's government at or above the county level. Each real estate unit has a unique code. The real estate register shall record the following: (i) natural conditions of the real estate such as location, boundaries, spatial limits, acreage and usage; (ii) property conditions of the real estate rights such as ownership, type, content, source, term, changes in rights; (iii) matters related to restrictions and warnings on real estate rights; and (iv) other relevant matters. The Interim Regulations on Real Estate Registration and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) provide that, the State implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people.

Regulations On Leasing

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), and became effective on January 1, 2020, the lessor and the lessee shall enter into a written lease contract for leasing of building; the lease contract shall be registered and filed with the real estate administration authorities.

According to Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real

estate) department of the People's Government of the centrally-administered municipality, municipality or county where the leased property is located. The parties to the house lease may entrust others in writing to handle the house lease registration filing. If the parties to the house lease fail to handle the house lease registration filing, they shall be ordered to make corrections within a time limit by the construction (real estate) authority of the people's government of the municipality directly under the Central Government, city, or county; if a unit fails to make corrections within the time limit, a fine of between RMB1,000 and RMB10,000 shall be imposed.

Planning

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planning area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people's government of the city or county or the people's government of the town for a construction project planning permit. The construction entity shall carry out the construction in accordance with the planning conditions and submit the relevant completion acceptance information to the urban and rural planning authority within six months after the completion acceptance.

Engineering construction

According to the Construction Law of the PRC (《中華人民共和國建築法》), prior to the commencement of construction work, the construction entity shall apply to the construction administrative authority of the people's government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without acceptance or with unqualified acceptance.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark Law

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》). Trademarks are registered with the State Intellectual Property Office. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for ten years.

Patent Law

The Patent Law of the People's Republic of China (《中華人民共和國專利法》), provide for three types of patents: "invention," "utility model" and "design." "Invention" refers to any new technical solution in relation to a product, or a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is ten years and that of a "design" is 15 years.

Copyright Law

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law, reproducing, distributing,

performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. According to the Measures for the Registration of Computer Software Copyright (《計算器軟件著作權登記辦法》) and the Regulations on Protection of Computer Software (《計算機軟件保護條例》) the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority. Applicants for computer software copyright satisfying the requirements of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computer Software will be issued a registration certificate by the China Copyright Protection Center.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), the Ministry of Industry and Information Technology supervises and administers domain services nationwide. The principle of "first come, first served" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/her/it.

REGULATIONS ON SHARE INCENTIVE PLANS

SAFE promulgated the Circular on Foreign Exchange Administration for PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (Huifa [2012] No. 7) (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》(匯發[2012]7號)) (the "SAFE Circular 7"), a domestic director, supervisor or senior management or employees who has employment or labor relationship with a company listed overseas, and participates in a share incentive plan of the company shall be subject to the foreign exchange registration procedure as required in the SAFE Circular 7. However, H-share direct listings by domestic companies do not fall under the category of 'overseas listed companies' as defined in SAFE Circular 7.

According to the "Guidelines for Foreign Exchange Business under Capital Accounts (2024 Edition)" (《資本項目外匯業務指引(2024年版)》), after a domestic company listed overseas is approved to participate in the "full circulation" of H-shares, its domestic shareholders should register their domestic shareholder holdings with the local foreign exchange bureau within 20 working days before increasing their holdings. After registration is completed, they should receive a business registration certificate and bring the domestic shareholder shareholding business registration certificate to the domestic securities company to handle share increase.

After a domestic company listed overseas is approved to participate in the "full circulation" of H-shares, its domestic shareholders should register their domestic shareholder shareholding at the local foreign exchange bureau within 20 working days after the reduction. After the registration is completed, they should receive a business registration certificate and open a relevant account at a domestic bank with the domestic shareholder shareholding business registration certificate.

REGULATIONS ON LABOR AND SOCIAL INSURANCE

Labor Law and Labor Contracts Law

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 workplace safety and sanitation, and conduct employee training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions.

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. At the time of hiring, the employers shall truthfully inform of the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

Social Insurance and Housing Provident Fund

As required under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), enterprises are obliged to provide their employees in mainland China with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labour injury insurance and medical insurance. These payments are made to local administrative authorities. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency (社會保險費徵收機構) to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from 1 to 3 times the amount of the amount in arrears.

Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), employers shall timely pay the housing provident fund in full. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center will order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People's Court for mandatory enforcement.

According to Article 20 of the Regulation on Labor Security Supervision (《勞動保障監察條例》) where an act of violating labor security laws, regulations or rules is neither found by the labor security administration nor reported or complained by others within 2 years, the labor security administration shall no longer investigate it. The period prescribed in the preceding paragraph shall begin from the date when the act of violating labor security laws, regulations or rules occurred.

Pursuant to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance will be collected by the tax authorities. All the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self collection of historical unpaid social insurance contributions from enterprises. Tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years. The Notice on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (關於印發《降低社會保險費率綜合方案的通知》) (Guo Ban Fa [2019] No. 13), emphasizes that the historical unpaid arrears of the enterprise shall be properly treated. In the process of the reform of the collection system, it is not allowed to conduct self-collection of historical unpaid arrears from enterprises.

On July 31, 2025, the Supreme People's Court of the PRC has issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues 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問題的解釋(二)》) (the "Interpretation II"), which takes effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid.

Further, the Interpretation II specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People's Court of the PRC shall uphold the claim.

REGULATIONS ON TAX IN THE PRC

Income Tax Law

Pursuant to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the "EIT Law") and the Enterprise Income Tax Implementation Regulations of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "EITIR"), the income tax rate for both domestic and foreign-invested enterprises is 25%. Enterprises established outside the PRC with "de facto management bodies" located in the PRC are considered as "resident enterprises" and are subject to the uniform 25% enterprise income tax rate for their global income. "Non-resident enterprises" are defined as enterprises that are organized under the laws of foreign countries and have "de facto management bodies" located outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Non-resident enterprises are generally subject to a uniform corporate income tax of 25%. However, pursuant to the EIT Law and its implementing rules, if non-resident enterprises have not formed establishments or premises in the PRC, or if they have formed establishments or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the establishments or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

Value-Added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》), and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax ("VAT"). Unless otherwise provided, taxpayers engaged in the provision of services and sales of intangible assets are subject to a tax rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Caishui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)), the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT.

According to the Circular on Policies for Simplifying and Consolidating Value-Added Tax Rates (Cai Shui [2017] No. 37) (《關於簡併增值稅稅率有關政策的通知》(財稅[2017]37號)), the structure of VAT rates will be simplified from July 1, 2017, and the 13% VAT rate will be canceled. The scope of goods with an 11% tax rate and the provisions for deducting input tax are specified.

According to the Circular on Adjusting Value-Added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)), where a taxpayer engages in a taxable sales activity for value-added tax (VAT) purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) ("Announcement of the Ministry of Finance of the PRC, the State Taxation Administration

and the General Administration of Customs of the PRC [2019] No. 39"), with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%, and the originally applicable VAT rate of 10% shall be adjusted to 9%.

The Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》). The new law reiterates the provisions of the Provisional Regulations and introduces amendments in areas such as taxable activities, tax jurisdiction, deemed sales, non-taxable items, simplified tax calculation, withholding agents, input tax, non-deductible input tax, mixed sales, carry-over of input tax deductions, and tax refunds.

Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Law, dividends distributed by foreign-invested enterprises to foreign investors (defined as non-resident enterprises under the Enterprise Income Tax Law) are subject to a withholding tax rate of 10%. Pursuant to an Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "Double Tax Avoidance Arrangement"), if a Hong Kong resident enterprise self-assesses that it satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協議股息條款有關問題的通知》), if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure 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 the Recognition of Beneficial Owners in Tax Treaties (《國家稅務總局關於稅收協議中"受益所有人"有關問題的公告》), 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 was 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.

Enterprise Income Tax on Indirect Transfer of Non-resident Enterprises

The SAT issued the Notice on Strengthening Administration of Enterprise Income Tax Concerning Proceeds from Equity Transfers by Non-Resident Enterprises (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》) (the "Circular 698"). By promulgating and implementing the Circular 698, the PRC tax authorities have enhanced their scrutiny over the indirect transfer of equity interests in a PRC resident enterprise by a non-resident enterprise. The SAT further issued the SAFE Circular 7 on February 3, 2015, to supersede existing provisions in relation to the indirect transfer as set forth in the Circular 698. The SAFE Circular 7 introduces a new tax regime that is significantly different from that under the Circular 698. The SAFE Circular 7 extends its tax jurisdiction to capture not only indirect transfer as set forth under the Circular 698 but also transactions involving transfer of immovable property in China and assets held under the establishment and place, in China of a foreign company through the offshore transfer of a foreign intermediate holding company. The SAFE Circular 7 also provides clearer criteria than the Circular 698 on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to internal group restructurings. Where a non-resident enterprise indirectly transfers equity interests or other assets of a PRC resident enterprise by implementing arrangements that are not for reasonable commercial purposes to avoid its obligation to pay enterprise income tax, such an indirect transfer shall, in accordance with the EIT Law, be recognized by the competent PRC tax authorities as a direct transfer of equity interests or other assets by the PRC resident enterprise. The SAT promulgated the Announcement on Matters Concerning Withholding and Payment of Income

Tax of Non-resident Enterprises from Source (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the "SAT Circular 37"). The SAT Circular 37 does, among other things, simplify procedures of withholding and payment of income tax levied on non-resident enterprises.

REGULATIONS ON OVERSEAS LISTING

The CSRC promulgated the 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》) and relevant five guidelines.

According to the Trial Administrative Measures, (i) PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and submit relevant information to the CSRC; (ii) domestic companies that seek to offer or list securities overseas directly are limited by shares; and (iii) any PRC company limited by shares is required to file with the CSRC within three business days after its application for overseas listing is submitted.

According to the Provisions on Strengthening Confidentiality and Archives Management for Domestic Enterprises Engaging in Overseas Securities Issuance and Listing (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), domestic enterprises engaged in overseas securities issuance and listing activities, as well as securities companies and securities service institutions providing related services, shall strictly comply with the relevant laws and regulations of the People's Republic of China and the requirements of this provision, and shall not disclose state secrets or state agency work secrets, nor harm national or public interests. Domestic enterprises that provide, publicly disclose, or disclose documents or materials involving state secrets or state agency work secrets to securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, whether directly or through their overseas listing entities, shall submit such actions to the competent authority with approval authority for approval in accordance with the law and report them to the confidentiality administrative department at the same level for filing.

Besides, PRC domestic companies seeking to overseas offering and listing shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC government on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors.

Full Circulation of H Shares

"Full Circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. CSRC announced 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》("Guidelines for the 'Full Circulation'")). As regulated in the Guidelines for "Full Circulation," shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for "full circulation" with the CSRC. An unlisted domestic joint stock company may file with the CSRC for "full circulation" at the time of its 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 Administrative 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 authorize the domestic company to submit the conversion application to the CSRC on their behalf.

China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of the H-share "Full Circulation" Business (the "Measures for Implementation"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc., in relation to the H-share "Full Circulation" business, are subject to these Measures for Implementation.

REGULATIONS ON FOREIGN EXCHANGE

Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》). Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade- and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange, ("SAFE") or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》), the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration. SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19"). According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) investment in securities unless otherwise provided by the relevant laws and regulations; (iii) granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter-enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the "SAFE Circular 13"), cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Notice on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19"). According to SAFE Circular 19, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis based on the actual needs of their business operations. SAFE may adjust the aforementioned ratio according to the balance of payments situation.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"). Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws.

In accordance with the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《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》), or the SAFE Circular 28, non-investment foreign-invested enterprises are permitted to make domestic equity investments with their capital funds under the condition that the prevailing Special Administrative Measures for the Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are true and compliant.

SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》): (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration 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》), the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on the use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment.

Foreign Exchange Registration of Overseas Investment by PRC Residents

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment 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").

Under SAFE Circular 37, PRC residents, including PRC individuals and institutions, shall register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned onshore or offshore assets or interests, as a "special purpose vehicle" under

SAFE Circular 37. In the event that a PRC shareholder holding equity interests in a special purpose vehicle fails to comply with the required SAFE registration, the PRC subsidiaries of such special purpose vehicle may be prohibited from making profit distributions to its offshore parent company and prohibited from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries.

Under SAFE Circular 37, if a non-listed special purpose vehicle uses its own equity to grant equity incentives to any directors, supervisors, senior management or any other employees directly employed by a domestic enterprise which is directly or indirectly controlled by such special purpose vehicle, or with which such an employee has established an employment relationship, related PRC residents and individuals may, prior to exercising their rights, apply to the SAFE for foreign exchange registration formalities for such special purpose vehicle.

INTERNATIONAL SANCTIONS LAWS AND REGULATIONS

Our legal advisors as to International Sanctions have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the UK, the United Nations and Australian sanctions in their entirety.

United States

Treasury regulations

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest – no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) – except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, Syria, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions (the comprehensive OFAC sanctions programme against Sudan was terminated on October 12, 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "UNSC") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an EU member state. EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime by regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. For instance, in October 2022, BIS issued an interim final rule (the "**BIS October 2022 IFR**") requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is "knowledge" that the item is destined for end use in the development or production of ICs at a fab in China that fabricates ICs meeting certain criteria. On

December 2, 2024, BIS issued an interim final rule (the "**BIS December 2024 IFR**") and a final rule (the "**BIS December 2024 FR**"), which expanded controls in the EAR on advanced computing and semiconductor manufacturing items. The United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U. S.-origin items, or otherwise subject to the foreign direct product rules because of the end-user or end-use, would be subject to the EAR export restrictions because of the U. S.-origin incorporated in or otherwise used in the development of such products. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR including the type of aforementioned foreign produced items generally is prohibited unless the specified license requirements are met.

In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the "**Commerce Control List**"). The Commerce Control List is primarily based on multilateral export control lists, such as the Wassenaar Arrangement's List of Dual-Use Goods and Technologies and Munitions List, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number ("**ECCN**").