*This section sets out a summary of certain aspects of the laws and regulations which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential* **[REDACTED]** *with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential* **[REDACTED]**. **[REDACTED]** *should note that the following summary is based on laws and regulations in force as at the date of this Document, which may be subject to change.*

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC and that affect the dividends payment to our shareholders.

**Regulations on Foreign Investment**

In March 2019, the PRC Foreign of the PRC (《中華人民共和國外商投資法》), or the Foreign Investment Law, was promulgated by the NPC, and came into effect on January 1, 2020, which replaced the PRC Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the PRC Sino-Foreign Cooperative Joint Venture Enterprise Law (《中華人民共和國中外合作經營企業法》) and the PRC Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), and became the legal foundation for foreign investment in the PRC. To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》) was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further provides that a foreign-invested enterprise established prior to the effective date of the Foreign Investment Law shall adjust its legal form or governance structure to comply with the provisions of the Companies Law (《中華人民共和國公司法》) or the PRC Partnership Enterprises Law (《中華人民共和國合夥企業法》), as applicable, and complete amendment registration before January 1, 2025.

According to the Foreign Investment Law, the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign-invested enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity; it is not allowed to require repetitive submission of any investment information that can be obtained by interdepartmental information sharing.

**Regulations and Policies on Intelligent Vehicles and Integrated Domain Control Solutions Industry**

In order to strengthen the administration of access of intelligent connected vehicle products, safeguard the life and property security of citizens and public security and promote the sound and sustainable development of the intelligent connected vehicle industry, the MIIT promulgated the Opinions on Strengthening the Administration of the Access of Intelligent Connected Vehicle Manufacturers and Products (《工業和信息化部關於加強智能網聯汽車生產企業及產品准入管理的意見》) on July 30, 2021, which requires automobile manufacturers to strengthen the safety management of driving assistance function products and autonomous driving function products.

In order to implement the Opinions on Strengthening the Administration of the Access of Intelligent Connected Vehicle Manufacturers and Products, to promote the widespread application of intelligent connected vehicles, and to improve the performance and safety of intelligent connected vehicle products, the MIIT together with other government authorities issued the Circular on the Pilot Program for the Access and Road Testing of Intelligent Connected Vehicles (《關於開展智 能網聯汽車准入和上路通行試點工作的通知》) in November 2023 expanding policy support beyond autonomous driving to broader intelligent vehicle capabilities.

On February 25, 2025, the MIIT and the SAMR jointly issued the Notice on Further Strengthening the Administration of Automobile Product Admission, Recall, and Over-The-Air Software Upgrade for Intelligent and Connected Vehicles (《工業和信息化部市場監管總局關於進一步加強智能網聯汽車產品准入、召回及軟件在線升級管理的通知》), or the Notice. The purpose of the Notice is to enhance the administration of product admission and recall ICV products equipped with Combined Driver Assistance Systems and OTA upgrade functions. The Notice requires automobile manufactures to thoroughly test and verify smart connected vehicle products and OTA upgrade activities, clearly define system boundaries and safety response measures, to ensure that control strategies are reasonable, strictly fulfill their duty to inform, and to ensure effective safety management during development, production, and operation, and continuously improve product functionality, performance, and quality and safety levels.

In October 2021, the Central Committee of the Communist Party of China and the State Council jointly promulgated the National Standardization Development Outline (《國家標準化發展綱要》), which emphasizes promoting the interactive development of standardization and scientific and technological innovation. It requires research and development of key technical standards in areas such as intelligent connected vehicles to drive industrial change.

To strengthen top-level design and promote the comprehensive research and development of vehicle connectivity industry technology and standards, and to promote the healthy and sustainable development of the entire industry, the MIIT along with the National Standardization Administration have jointly organized the formulation of the Guidelines for the Construction of the National Vehicle Connectivity Industry Standard System (《國家車聯網產業標準體系建設指南》) in June 2018, or the Construction Guidelines. It fully leverages the top-level design and foundational leading role of standards in the construction of the ecosystem of the connected vehicles industry and is divided into several parts based on different industry attributes, including the standard system for intelligent connected vehicles, the information communication standard system, and the standard system for electronic products and services, providing support for building an innovation-driven and open-coordinated connected vehicles industry.

The Guideline for the Construction of the National Vehicle 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)》), which forms part of the Construction Guidelines, aims to guide the standardization of electronic products and services in the Connected Vehicles industry, accelerate the construction of a standard system for electronic products and services, including automotive electronic products, network equipment, in-vehicle service platforms, and information security. Automotive electronic product standards mainly include basic products (such as automotive-grade power devices, automotive-grade integrated circuits, automotive-grade sensors, high-performance computing chips, etc.), terminals (such as in-vehicle display terminals, electronic control units, infotainment terminals, etc.) and software (such as in-vehicle operating systems, algorithm software, application software, etc.); network equipment standards mainly include standards in two areas: fixed equipment (such as roadside units and cloud platform equipment) and mobile equipment (such as various types of in-vehicle equipment and handheld mobile devices); in-vehicle service platform standards include five aspects: the platform's architecture, interfaces, data management, operation, and information services; automotive information security standards include in-vehicle system security, in-vehicle terminal security, in-vehicle information and service security, application software and service operation platform security, and over-the-air software upgrade security of in-vehicle operating systems, etc.

To implement the National Standardization Development Outline and to meet the new demands emerged from the development of the Intelligent Connected Vehicle industry in the PRC, the MIIT and the National Standardization Administration have jointly revised the Construction of the National Vehicle Connectivity Industry Standard System (Intelligent Connected Vehicles) (《國家 車聯網產業標準體系建設指南(智能網聯汽車)》) in July 2023. This guideline primarily focuses on general standards, core technologies, and key product applications for intelligent connected vehicles, aims to establish a comprehensive standard system for intelligent connected vehicles, encompassing foundational elements, technologies, products, and testing standards. This guideline will guide the revision and formulation of relevant standards in the intelligent connected vehicle field of the connected vehicle industry, and fully leveraging the leading role of standards in key technologies, core products and functional applications of the connected vehicle industry.

***Requirements or Standards for Integrated Domain Control Solutions***

The SAMR and the Standardization Administration of the People's Republic of China jointly issued the national recommended standard Road Vehicles—Functional Safety (GB/T 34590-2022)（《道路車輛功能安全》), superseding the previous Road Vehicles—Functional Safety (GB/T 34590.1-2017). Road Vehicles—Functional Safety Audit and Assessment Method (GB/T 43253-2023)（《道路車輛功能安全審核及評估方法》）was issued on November 27, 2023, which regulates the audit and assessment activities for safety-related electrical/electronic (E/E) systems in road vehicles during their safety life cycle.

On August 23, 2024, 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》), which will officially take effect on January 1, 2026. 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. These measures are designed to ensure the information security and data protection of vehicles during their usage.

The On-Board Wireless Communication Terminal（GB/T 43187-2023）（《車載無線通信終端》）issued and was effective both on September 7, 2023, by MIIT, specifies the technical requirements for in-vehicle wireless communication terminals and describes the test methods and inspection rules for the terminals.

The Road Vehicles–Performance Requirements and Test Methods Hands-Free Communication and Voice Interaction (GB/T 45314-2025) (《道路車輛免提通話和語音交互性能要求及試驗方法》) is a national recommended standard currently being formulated by the National Technical Committee on Automobile Standardization. It is applied to the field of human-computer interaction. It regulates M1 and N1 category vehicles equipped with in-vehicle hands-free communication terminals, in-vehicle emergency call terminals, and in-vehicle voice interaction terminals.

The 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》) was officially issued in December 2023. 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. It can support the differentiated development of customized applications by various OEMs on the upper level and adapt to underlying heterogeneous hardware, chips, and other components on the lower level.

The Test and Evaluation Procedures for Interactive Experience of Automobile Intelligent Cockpit (《汽車智能座艙交互體驗測試評價規程》), was officially issued in November, 2023, which stipulates the terminology and definitions, evaluation index system, classification levels, and test evaluation methods for the testing and evaluation procedures of intelligent cockpit interaction experience in automobiles. It also includes the evaluation on usefulness, safety, efficiency, cognition, intelligence, value, and esthetics.

We offer OEMs integrated domain control solutions. Thus, we must ensure that the services we provide meet the regulatory requirements pertaining to data security, network security, software updates, functional safety, and safety of the intended functionality in the context of intelligent vehicles. We must also stay informed about the evolving regulatory landscape and ensure that our solutions remain compliant with the latest requirements.

**Regulations on Network Access of Telecommunications Equipment**

Pursuant to Telecommunications Regulations of the People's Republic of China (Amended in 2016)（《中華人民共和國電信條例(2016修訂)》） issued by the State Council, promulgated and took effective both on the February 6, 2016, the State shall implement a network connection licensing system for telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment.

Moreover, according to the Administrative Measures for the Network Access of Telecommunications Equipment (Amended in 2024)（《電信設備進網管理辦法(2024修正)》）, issued by the MIIT, promulgated and took effective both on January 18, 2024, a network access permit issued by the MIIT shall be obtained for telecommunications equipment to be connected to a public telecommunications network for use or sold domestically. Any violation of such permit system shall be subject to an order to make rectification and a fine of not less than RMB10,000 and not more than RMB100,000. We have obtained network access permits for relevant equipment as required.

**Regulations on Consumer Protection and Product Quality**

The PRC Consumer Rights and Interests Protection Law (《中華人民共和國消費者權益保護法》) was promulgated by NPC in 1993, last amended in 2013 and effective in March 2014, to protect the legitimate rights and interests of consumers, to maintain social and economic order, and to promote the healthy development of the socialist market economy. All business operators must comply with this law when they manufacture or sell goods and/or provide services to consumers. Under the amendments made on October 25, 2013, all business operators must pay high attention to protecting consumers' privacy and must strictly keep confidential any consumer information they obtain during their business operations.

The PRC Civil Code (《中華人民共和國民法典》) was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, which superseded the PRC Tort Law (《中華人民共和國侵權責任法》) and the PRC General Principles of Civil Law (《中華人民共和國民法總則》). The PRC Civil Code provides that, 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.

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and latest amended on December 29, 2018 by the SCNPC, 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 and clear indication 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.

**Regulations Relating to Import and Export Goods**

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) which was promulgated by the Standing Committee of the National People's Congress, or the SCNPC on May 12, 1994 and implemented on July 1, 1994, and subsequently revised in 2004, 2016, 2022 and was latest amended on December 27, 2025, the State adopts a unified foreign trade system, encourages the development of foreign trade, and maintains a fair and free foreign trade order. The amendment to the Foreign Trade Law of the People's Republic of China on December 30, 2022 deleted the provisions regarding the record-filing and registration of foreign trade operators. Starting from December 30, 2022, all local commerce departments will cease processing the record-filing and registration of foreign trade operators. Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and amended on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017 and April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall register with the Customs in accordance with the laws. Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and taking effect from January 1, 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws. Given that we import certain goods from overseas, we have obtained the Customs Record Receipt of Consignees and Consignors of Imported and Exported Goods (海關進出口貨物收發貨人備案).

The Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) came into force on December 1, 2020, for the controlled items set out in the export control list and the goods, technologies and services other than those subject to temporary control, where exporters know or should have known, or are notified by the State's export control authorities that the relevant goods, technologies and services may have any of the risks as regulated, they shall apply for a license to the State's export control authorities.

**Regulations on Cybersecurity and Data Protection**

In recent years, PRC government authorities have enacted laws and regulations on cybersecurity and data protection.

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), which came into effect on the same day, pursuant to which the State shall safeguard the sovereignty, security and development interests of the state cybersecurity, and that the State shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On August 29, 2015, the SCNPC issued the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》), which became effective on November 1, 2015, stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations 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) any 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. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), which was issued on May 8, 2017 and became effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) ("**Cybersecurity Law**"), which became effective on June 1, 2017, and applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators are broadly defined as owners and administrators of networks and network service providers, and such network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who construct or operate networks or provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. In addition, CIIOs shall, during their operations in the PRC, store within the PRC the personal information and important data collected and generated within the territory of the PRC, and where cross-border transfer of such data is necessary for business, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace authority in conjunction with the relevant departments under the State Council. On October 28, 2025, the SCNPC further revised the Cybersecurity Law, which came into effect on January 1, 2026. The revised Cybersecurity Law increases penalties under certain circumstances such as failure to discharge the obligation of safeguarding cybersecurity, and failure to take actions against information that is prohibited from being published or disseminated by laws or administrative regulations, and expands extraterritorial application for entities, organizations, or individuals outside the PRC engaging in activities that endanger the cybersecurity of the PRC.

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

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) ("**Data Security Law**"), which became effective on September 1, 2021. According to the Data Security Law, "data" is defined as any record of information in electronic or other forms, and the processing activities of data includes the collection, storage, use, processing, transmission, provision and disclosure of data. The Data Security Law is broadly applicable to such processing activities of data which are carried out in the PRC or, where carried out outside the PRC, damage the national security, public interests or the legitimate rights and interests of citizens and organizations of the PRC. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility, including without limitation, that any organization or individual collecting data shall adopt lawful and proper methods and shall not steal data or obtain the data by other illegal means, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China, and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and improve the legislation on data security, cross-border data transmission, and confidential information management.

The Administrative Provisions on Security Vulnerability of Network Products (《網絡產品安全漏洞管理規定》) was jointly promulgated by the MIIT, the CAC and the Ministry of Public Security ("**MPS**") on July 12, 2021 and became effective on September 1, 2021. Network product providers, network operators as well as organizations or individuals engaging in the discovery, collection, release and other activities of network product security vulnerability are subject to the Administrative Provisions on Security Vulnerability of Network Products and shall establish channels to receive information of security vulnerability of their respective network products and shall examine and fix such security vulnerability in a timely manner. Network product providers are required to report relevant information of security vulnerability of network products with the MIIT within two days and to provide technical support for network product users. Network operators shall take measures to examine and fix security vulnerability after discovering or acknowledging that their networks, information systems or equipment have security loopholes. According to the Administrative Provisions on Security Vulnerability of Network Products, the breaching parties may be subject to administrative penalty as regulated in accordance with the Cybersecurity Law.

On July 30, 2021, the State Council promulgated the Regulations of Security Protection for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) ("**CII Protection Regulations**"), which became effective on September 1, 2021. Pursuant to the CII Protection Regulations, critical information infrastructure refers to important network infrastructure and information systems of important industries and fields such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, and other important ones whose damage, function loss or data leakage may endanger national security, people's livelihood and public interests. According to the CII Protection Regulations, the competent administrative departments and supervisory departments, which govern each respective important industry or field, shall be responsible for formulating the identification rules on and organizing the identification of the critical information infrastructure in such industry or field, and such departments should promptly notify the CIIOs of the identification results.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) ("**Personal Information Protection Law**"), which became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and personal information, as defined in the Personal Information Protection Law, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding anonymized information.

The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary to fulfill statutory duties and statutory obligations. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as that personal information shall be processed under the principles of lawfulness, legitimacy, necessity, and good faith and shall be processed for a clear and reasonable purpose.

The Several Provisions on Automobile Data Security Management (for Trial Implementation) （《汽車數據安全管理若干規定（試行）》） was promulgated on August 16, 2021 by the CAC, the NDRC, the MIIT, the MPS, and the MOT and became effective on October 1, 2021, to regulate the processing activities of automobile data. Pursuant to the foregoing provisions, "automobile data" includes personal information data and important data involved in the process of, among others, automobile design, production, sales, use, operation and maintenance, and the foregoing provisions set out detailed rules on the responsibilities and obligations of those who carry out processing activities of such automobile data.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Revised Measures for Cybersecurity Review, which became effective on February 15, 2022. The Revised Measures for Cybersecurity Review provides that, among others, (i) a CIIO purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) a network platform operator with personal information of more than one million users which seek listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) ("**Security Assessment Measures**"), which became effective on September 1, 2022. The Security Assessment Measures applies to the security assessment conducted by data processors where they provide overseas parties with important data or personal information collected and generated during operations within the territory of the PRC. Based on the Security Assessment Measures, data processors shall apply for the security assessment of cross-border data transfer to the CAC through the provincial cyberspace administration in the place where they operate if their cross-border data transfer activities fulfill certain thresholds.

On December 13, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) ("**MIIT Data Security Measures**"), which came into effect on January 1, 2023. The MIIT Data Security Measures is applicable to the processing activities carried out in the territory of the PRC of data in the field of industry and information technology, which include, among other things, the data collected and generated in the course of research, development and design, production and manufacturing, operation and management, operating and maintenance and platform operation in the field of industry. The MIIT Data Security Measures provides that industrial and telecommunication data processors shall implement data classification and grading, and further imposes data security obligations and responsibilities on data processors in the field of industry and information technology, which include, among others, taking protective measures based on the corresponding grading of data, establishing management system covering the whole data lifecycle, and staffing data security management personnel as needed to be in charge of the security supervision and management of data processing activities as a whole and assisting with the industrial administrative authorities in carrying out the relevant work.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flow (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions provide several exemptions to processors of data which exempt them from undergoing data security assessment, obtaining personal information protection certification, or entering into standard contracts for outbound transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor, other than a CIIO, has cumulatively transferred personal information (excluding sensitive personal information) of fewer than 100,000 individuals to overseas recipients since January 1 of the current year. In addition, a data processor, other than a CIIO, shall enter into a standard contract with overseas recipients for the cross-border transfer of personal information, or obtain certification for personal information protection if, since January 1 of the current year, the data processor has cumulatively transferred to overseas recipients personal information (excluding sensitive personal information) of more than 100,000 but fewer than 1,000,000 individuals, or sensitive personal information of fewer than 10,000 individuals. The provisions also explicitly state that data processors are not required to apply for security assessment on cross-border transfer of important data, provided that the relevant data has not been notified or published as important data by relevant departments or regions.

On September 24, 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) ("**Regulation on Cyber Data Security**") was issued, which came into effect on January 1, 2025. The Regulation on Cyber Data Security provides that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. In addition, the Regulations on Cyber Data Security also regulate other specific requirements in respect of the cyber data processing activities conducted by data processors in the view of, among others, personal information protection, important data safety, and cyber data cross- broader safety management and obligations of network platform service provider.

**Regulations on Intellectual Property Rights**

***Copyright***

According to the PRC Copyright Law (《中華人民共和國著作權法》), promulgated by the SCNPC in 1990 and last amended on November 11, 2020 to be effective on June 1, 2021, and its related Implementing Regulations issued by the State Council in 2002, last amended and became effective in March 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

**Trademark**

According to the PRC Trademark Law (《中華人民共和國商標法》) adopted in 1982 and subsequently amended in 1993, 2001, 2013 and 2019, as well as the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), adopted by the State Council in 2002 and subsequently amended in 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record. Conducts that constitute an infringement of the exclusive right to use a registered trademark include, but are not limited to, using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and selling goods that violate the exclusive right to use a registered trademark. Pursuant to the PRC Trademark Law, in the event of any of the foregoing acts, the infringing party will be ordered to stop the infringement immediately and may be fined; the counterfeit goods will be confiscated. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

**Patent**

In accordance with the PRC Patent Law (《中華人民共和國專利法》), which was promulgated in 1984 and last amended on October 17, 2020, by the NPC to become effective on June 1, 2021, and its Implementation Rules promulgated in 1985 and last amended in 2023 by the State Council, patent is divided in to three categories: invention patent, design patent and utility model patent. The duration of invention patent right is 20 years, and the duration of design patent right is 15 years, and the duration of utility model patent right is ten years, which are all calculated from the date of filing. An individual or entity who uses patent without the license of the patent holder, counterfeits patent products or engages in patent infringement activities shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

**Domain names**

In 2017, the MIIT promulgated the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which became effective in November 2017 and replaced the Measures on Administration of Domain Names for the Chinese Internet (《中國互聯網絡域名管理辦法》) issued by the MIIT in 2004. The measures adopt a "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize PRC's domain name system.

**Regulations on Dividend Distribution**

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the PRC Company Law (《中華人民共和國公司法》), promulgated in 1993 and most recently amended in 2023, and the Foreign Investment Law (《中華人民共和國外商投資法》) and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years, if any, have been offset. In addition, a PRC company is required to allocate at least 10% of its respective accumulated after-tax profits each year to fund certain statutory reserve funds until the aggregate amount of such reserve funds reach 50% of its registered capital. A PRC company may also allocate a portion of their after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

**Regulations on 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》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

In 2012, SAFE issued the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《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》). Pursuant to the notice, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency.

In March 2015, SAFE issued the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency 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》), or SAFE Circular 19, which took effect in June 2015, which expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本專案結匯管理政策的通知》), or SAFE Circular 16, which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

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, which was issued and came into effect on October 23, 2019 by the SAFE, foreign-invested enterprise engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to laws and regulations under the condition that the Negative List are not violated and the relevant domestic investment projects are true and compliant. In April 2020, the SAFE promulgated 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》), which was further supplemented by the Notice of Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》), pursuant to which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing, without providing the evidentiary materials concerning authenticity of each expenditure, provided that their capital use is authentic and in compliance with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts.

**Regulations on Tax**

**Enterprise income tax**

In 2007, the SCNPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) which was most recently amended in December 2018. In 2007, the State Council enacted the Implementation Regulations for the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) of the PRC which was lastly amended in December 2024, or collectively, the PRC Enterprise Income Tax Law. Under the PRC Enterprise Income Tax Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are enterprises that are organized under the laws of foreign countries and whose actual management is conducted 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.

Under the PRC Enterprise Income Tax Law and relevant implementing regulations, a uniform enterprise income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions 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.

Pursuant to the PRC Enterprise Income Tax Law, the enterprise tax rate of a high and new technology enterprise, or HNTE, is 15%. According to the Administrative Measures for the Recognition of HNTEs (《高新技術企業認定管理辦法》), effective in January 2008 and amended in January 2016, for each entity accredited as HNTE, its status is valid for three years if it meets the qualifications for HNTE on a continuing basis during such period.

**Value-added tax**

In 1993 the State Council issued the PRC Provisional Regulations on Value-added Tax (《中華人民共和國增值稅暫行條例》), and the Ministry of Finance issued the Detailed Rules for the Implementation of the PRC Provisional Regulations on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which were superseded by the PRC Value-added Tax Law (《中華人民共和國增值稅法》) and its implementation rules from January 1, 2026. According to those, entities and individuals engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC should be subject to value-added tax, or VAT, and the payable tax amount shall be calculated by offsetting input tax against output tax according to the general tax calculation method.

In 2016, the Ministry of Finance and the State Taxation Administration jointly issued the Notice on Full Launch of the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》), which was partly amended by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, according to which the countrywide pilot practice of levying VAT in lieu of business tax, or the Pilot Practice, has been carried out since 2016.

According to the specific regulatory documents for the Pilot Practice, including the Implementation Measures for the Pilot Practice of Levying VAT in lieu of Business Tax (《營業稅改徵增值稅試點實施辦法》), the VAT rates vary from 17%, 11%, 6%, 3% to 0% for taxpayers incurring taxable activities. According to the Notice of the Ministry of Finance and the State Taxation Administration on Adjusting the Value-added Tax Rate effective in May 2018, the VAT tax rates on sales, imported goods that were previously subject to 17% and 11% are now adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019, and came into effect on April 1, 2019, the VAT tax rates on sales, imported goods that were previously subject to 16% and 10% are now adjusted to 13% and 9%, respectively.

**Dividend withholding tax**

The PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) provides that since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on 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》) and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such 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 Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) issued in 2009, if the relevant PRC tax authorities determine that a company unjustifiably 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. According to the Announcement of the State Administration of Taxation on Issues Relating to "Beneficial Owner" in Tax Treaties(《關於稅收協定中"受益所有人"有關問題的公告》), which was issued in 2018 and effective in April 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This notice further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》).

**Tax on indirect transfer**

In 2015, the State Taxation Administration issued the Announcement of the State Administration of Taxation on Several Issues Relating to Enterprise Income Tax on Transfer of Assets between Non-resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), or State Taxation Administration Circular 7. According to State Taxation Administration Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises, may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. Therefore, gains derived from such indirect transfer may be subject to PRC enterprise income tax.

When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include, inter alia, whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in China or if its income is mainly derived from China; and whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure. According to State Taxation Administration Circular 7, where the payer fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. The State Taxation Administration Circular 7 does not apply to non-resident enterprises obtaining income from the indirect transfer of PRC taxable assets in China by purchasing and selling equity of the same listed overseas enterprise in the open market.

In 2017, the State Taxation Administration issued the Announcement of the State Administration of Taxation on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《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》), or the State Taxation Administration Circular 37, most recently amended in 2018, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain uncertainties as to the interpretation and application of State Taxation Administration Circular 7. State Taxation Administration Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

**Regulations on Employment and Social Welfare**

The PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the NPC in 1994, and amended in 2009 and 2018, provides that employees are entitled to equal opportunities in employment, selection of occupations, receiving labor remuneration, rest days and holidays, protection of occupational safety and healthcare, social insurance and welfare. Employers must establish and improve the system for occupational safety and healthcare, provide training on occupational safety and healthcare to employees, comply with national and local regulations on occupational safety and healthcare, and provide necessary labor protective supplies to employees.

The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the NPC in 2007, amended in 2012 and came into effect in 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and came into effect in 2008, stipulate the relations of employer and the employee, and contain specific provisions including but not limited to the probationary period and liquidated damages to protect the rights and interests of the employees.

The PRC Social Insurance Law (《中華人民共和國社會保險法》) issued by the NPC in 2010, effective in 2011 and last amended in 2018, provides that an employee shall participate in five types of social insurance funds, including pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance. The premiums for maternity insurance and occupational injury insurance are paid by the employer, while the premiums for pension insurance, medical insurance and unemployment insurance are paid by both the employer and the employee. If the employer fails to fully contribute to social insurance funds on time, the collection agency for such social insurance may demand the employer to make full payment or to pay the shortfall within a set period and collect a late charge. If the employer fails to pay after the due date, the relevant government administrative body may impose a fine on the employer.

The Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) issued by the State Council in 1999 and last revised in 2019 provides that enterprises must register with the competent managing center for housing funds and shall contribute to the Housing Provident Fund for any employee on its payroll. Where an employer fails to pay up housing provident funds within the prescribed time limit, the employer may be fined and ordered to make payment within a certain period. Where the contribution has not been made after the expiration of the time limit, the enterprises may be subject to compulsory enforcement by the People’s Court.

**Regulations on M&A and Overseas Listings**

In 2006, six PRC regulatory agencies, including the CSRC, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, which became effective on in 2006 and most recently amended in 2009. Foreign investors shall abide by the M&A Rules, when purchasing equity interests or subscribing the increased capital of a domestic company, and thus changing the nature of the company from a domestic one to a foreign-invested enterprise; or when establishing a foreign-invested enterprise directly in the PRC and operating the assets purchased from a domestic company; or when purchasing the assets of a domestic company, establishing a foreign-invested enterprise by injecting such assets and then operating the assets. However, the M&A Rules has been partially replaced by the Foreign Investment Law.

In December 2020, the NDRC and the Ministry of Commerce issued the Measures for the Security Review of Foreign Investments (《外商投資安全審查辦法》), which established a working mechanism to organize, coordinate and guide the security review of foreign investments. In 2011, the Ministry of Commerce issued the Provisions on Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《實施外國投資者併購境內企業安全審查制度的規定》), according to which mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the Ministry of Commerce, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), or the Trial Measures, and relevant five guidelines, which became effective on March 31, 2023. According to the Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (“**Overseas Offering and Listing**”), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as indirect Overseas Offering and Listing by a PRC domestic enterprise: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. The Trial Measures also requires subsequent reports to be submitted to the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Archive Rules, which became effective on March 31, 2023. Archive Rules requires, among others, that PRC domestic enterprises seeking to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials, which may adversely affect national security or public interests, and accounting files or copies of important preservation value to the state and society shall be subject to corresponding procedures in accordance with relevant laws and regulations.

**U.S. Export Controls**

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. 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**"). 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 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**"). The ECCN is used to categorize and identify items that are subject to the EAR, based on the nature of the product, i.e. type of commodity, software or technology and its respective technical parameters.

In particular, ECCN 5A992.c covers certain listed information security systems, equipment and components that are classified as mass market encryption items. Items classified under ECCN 5A992.c are controlled for Anti-Terrorism (AT) reasons and are only subject to a license requirement for export, re-exports or transfers (in-country) to entities designated on the BIS' Entity List, Denied Persons List or Unverified List (the "BIS Lists Entities") and Crimea region, Cuba, Iran, Luhansk People's Republic and Donetsk People's Republic regions, North Korea and Syria, as well as Russia and Belarus (collectively, the "AT Sanctioned Countries"), or restricted under the U.S. Chip Export Restrictions if intended for use in Mainland China, Hong Kong SAR, or Macau SAR for certain prohibited end-uses set forth in section 744.23 of the EAR. However, when such items meet or exceed the performance parameters defined in ECCNs 3A090 (which covers certain listed integrated circuits) or 4A090 (which covers certain listed computers and certain related equipment, electronic assemblies and components), they are categorized as ECCN 5A992.z and become subject to additional Regional Stability (RS) controls, particularly targeting exports to China (including Hong Kong SAR) and other Country Group D:5 destinations set out in the Commerce Country List of the EAR.

ECCN 5A991 covers certain listed telecommunications and information security equipment. Items classified under 5A991 are primarily controlled for Anti-Terrorism (AT) reasons. Exports to the following destinations or end-users require export license: (i) any entity designated on the BIS Entity List, Denied Persons List, or Unverified List; and/or (ii) any entity headquartered in, ordinarily resident in, or owned or controlled by governments of any Comprehensively Sanctioned Countries, as well as Russia and Belarus.