This section sets forth a summary of the most significant laws and regulations that affect our business activities in China.

(I) REGULATIONS RELATING TO PRODUCTION ACCESS FOR NEW ENERGY VEHICLES

According to the laws and regulations of China, newly established new energy vehicle manufacturers, for the purpose of new energy vehicle manufacturing, are required to obtain filings from the local competent authorities of the National Development and Reform Commission of the PRC in relation to automobile investment projects and to obtain approval from the Ministry of Industry and Information Technology of the PRC ("**MIIT**") in relation to the access of new energy vehicle manufacturers and products.

According to the Provisions on Administration of Investments in the Automotive Industry (《汽車產業投資管理規定》), which was issued by the National Development and Reform Commission of the PRC ("**NDRC**") on December 10, 2018 and took effect on January 10, 2019, both automobile and other investment projects are subject to filing management by local development and reform authorities, with automobile investment projects to be filed with provincial development and reform authorities.

According to the Administrative Regulations for the Access of New Energy Vehicle Manufacturers and Products (《新能源汽車生產企業及產品准入管理規定》) promulgated by the MIIT on January 6, 2017, amended on July 24, 2020 and effective from September 1, 2020, the MIIT is responsible for implementing the access, supervision and management of new energy vehicle manufacturers and products nationwide. The MIIT promulgated the Announcement of Road Power-Driven Vehicle Manufacturing Enterprises and Products (《道路機動車輛生產企業及產品公告》), which lists the enterprises and products that have passed the examination to gain access to automobile production. New energy vehicle manufacturers shall comply with the requirements on production capacity, product production consistency assurance capability, after-sales service and product safety assurance capability as set out in the Administrative Regulations for the Access of New Energy Vehicle Manufacturers and Products, and meet the relevant requirements of the New Energy Vehicle Manufacturers Access Review Requirements (《新能源汽車生產企業准入審查要求》); new energy vehicle products shall meet the standard requirements of the Special Inspection Items and Basis Standards for New Energy Vehicle Products (《新能源汽車產品專項檢驗項目及依據標準》), pass the tests of the state-accredited testing institutions, and satisfy the safety technical conditions stipulated by the MIIT. Any new energy vehicle manufacturer, before obtaining the access approval, manufacturing or selling any new energy vehicle will face penalties including fines, forfeiture of illegally manufactured and sold vehicles and components and revocation of its business licenses.

According to the Special Administrative Measures for Entry of Foreign Investment (Negative List) (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**2021 Negative List**") promulgated by MOFCOM and the NDRC on December 27, 2021 and effective from January 1, 2022 and the Encouraged Industry Catalog for Foreign Investment (《鼓勵外商投資產業目錄》) jointly promulgated by MOFCOM and the NDRC in December 2020 and effective from January 27, 2021, foreign investments in domestic

industries are divided into three categories: "encouraged", "restricted" and "prohibited". According to the 2021 Negative List, investments in new energy vehicle manufacturing do not fall into the restricted or prohibited categories, while the limit on the foreign shareholding ratio in passenger car manufacturing and the limit that the same foreign company can establish less than two (inclusive) joint ventures for manufacturing similar vehicle products have been revoked.

(II) REGULATIONS RELATING TO AUTOMOBILE SALES AND CONSUMER RIGHTS PROTECTION

According to the Administrative Measures on Automobile Sales (《汽車銷售管理辦法》) promulgated by the MOFCOM on April 5, 2017 and effective from July 1, 2017, the local commerce authorities above the county level shall supervise and manage the sale of automobiles and their related service activities within their administrative areas; automobile suppliers and dealers, after receiving a business license, are required to file the basic information through the information management system for the national automobile circulation operated by the competent commerce department of the State Council within 90 days; and such automobile suppliers and dealers must update any change to their filed information within 30 days upon such change in information. Automobile suppliers and dealers shall sell the automobiles, accessories and other related products that comply with relevant national regulations and standards. Dealers shall make clear in their business premises the prices of the products sold and the standard charges for various services, and shall not increase the price of sales nor charge additional fees beyond the marked price. In respect of the vehicle products for sales, dealers shall also make clear the quality assurance, the warranty services and other after-sales service policies that consumers need to know.

According to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), which was promulgated by the SCNPC on October 31, 1993, last amended on October 25, 2013 and effective from March 15, 2014, operators shall ensure that the goods or services they provide meet the requirements for the protection of the safety of persons and property. For goods and services that may endanger the safety of persons or property, they shall provide consumers with truthful explanations and clear warnings, as well as instructions and indications on the correct use of the goods or services and the methods to prevent the occurrence of hazards. If the operator finds that the goods or services provided by it are defective and may endanger the safety of persons or property, it shall immediately report to the relevant administrative departments and inform the consumers as well as take measures such as stopping the sales, issuing warnings, recall, harmless disposal, destruction of the products, discontinuation of production or service. Operators who fail to comply with the provisions relating to consumer protection are subject to civil or criminal liability in accordance with the laws.

(III) REGULATIONS RELATING TO PRODUCT QUALITY AND RECALL OF DEFECTIVE AUTOMOBILE PRODUCTS

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993, last amended on December 29, 2018 and effective from the same date, the market supervision and administration department under the State Council is in charge of the national supervision of product quality and prohibits producers and sellers from producing or selling industrial products that do not meet the standards and requirements for the protection of human health and the safety of persons and property. Producers shall be responsible for the quality of the products they produce, which shall not present an unreasonable risk of endangering the safety of persons or property, and which shall have the performance for use and indicate on the product or its packaging the product standards adopted. If a product is defective and causes damage to persons or the property of others, the victim may claim compensation from the producer of the product or from the seller of the product. Producers or sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products illegally produced or sold and be fined. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked. If it constitutes a crime, criminal responsibility will be pursued according to the laws.

According to the Administrative Provisions on Defective Automotive Product Recalls (《缺陷汽車產品召回管理條例》), which was promulgated by the State Council on October 22, 2012 and amended on March 2, 2019, the product quality supervision department of the State Council is in charge of the supervision and administration of recalls of defective automobile products nationwide. If an automobile producer is informed of any possible defect in its automobile products, it shall immediately organize an investigation and analysis and truthfully report the results of the investigation and analysis to the product quality supervision department of the State Council. If an automobile producer confirms the existence of a defect in its automobile products, it shall immediately cease the production, sale or import of the defective automobile products and recall all such defective products, and at the same time, it shall formulate a recall plan and file it with the product quality supervision and management department of the State Council. Any recall plan previously filed shall be filed again if there is any change to it. If the producer fails to implement the recall, the product quality supervision department of the State Council shall order the recall. If any automobile producer conceals a defect, refuses to recall by order or fails to stop producing or selling or importing the defective automobile products, it will be ordered to make a correction and subject to fines. Any illegal income will be confiscated, and in severe cases, the relevant permit will be revoked by the licensing authority.

According to the Implementation Rules on the Administrative Provisions on Defective Automotive Product Recalls (《缺陷汽車產品召回管理條例實施辦法》) issued by the General Administration of Quality Supervision, Inspection and Quarantine (which has been reorganized as the State Administration for Market Regulation, hereinafter referred to as "**SAMR**") on November 27, 2015 and amended on October 23, 2020, the SAMR is responsible for the supervision and administration of recalls of defective automobile

products nationwide. To implement a recall, the producer shall formulate a recall plan and file it with the SAMR and notify its operators in an effective manner. If a producer modifies a recall plan that is previously filed, it shall file it again with the SAMR and submit explanatory materials. The producer shall release the information of the defective automobile products and the information related to the implementation of a recall in ways that are convenient for the public to receive such information, such as through newspapers, websites, radio and television, and inform owners of the automobile products of such defects, emergency treatment to avoid damage and the producer's measures to eliminate the defects.

According to the Circular on Further Improving the Regulation of Recall of Automobile with OTA Technology (《市場監管總局辦公廳關於進一步加強汽車遠程升級(OTA)技術召回監管的通知》) promulgated by the SAMR on November 23, 2020 and effective from the same date, automobile producers that provide technical services through OTA, in respect of the vehicles sold, are required to complete filing with the SAMR. If a producer adopts the OTA method to eliminate defects in automobile products and implements a recall, it shall formulate a recall plan and file it with the SAMR. If the OTA method fails to effectively eliminate defects or cause new defects, the producer shall take recall measures again.

According to the Notice on the Filing of Online Upgrade of Automotive Software (《關於開展汽車軟件在線升級備案的通知》) promulgated and implemented by the MIIT Equipment Industry Development Center on April 15, 2022, filing shall be made for a vehicle manufacturer that has obtained the manufacturing permission license for road vehicles, the vehicle products with OTA upgrade function produced by it and the OTA upgrade activities conducted, with tiered filing based on the impact assessment of specific upgrading activities. In particular, it can be divided into three categories: (1) for upgrading activities not involving changes in product safety, environmental protection, energy saving, anti-theft and other technical performance, enterprises may directly conduct such upgrading activities after filing; (2) for upgrading activities involving changes in product safety, environmental protection, energy saving, anti-theft and other technical performance, enterprises shall submit verification materials to ensure that the products comply with national laws and regulations, technical standards and specifications as well as other relevant requirements. Among them, for upgrading activities involving the change of technical parameters in the Notice, enterprises shall apply for product change or extension with the MIIT in accordance with the management requirements of the Notice before filing such upgrading activities, with such upgrade subject to the completion of product admission under the Notice according to the process, so as to ensure the consistency of vehicle product production; (3) for upgrading activities involving vehicle autonomous driving functions (level 3 and above of driving automation classification), they should be approved by the MIIT.

According to the Guiding Opinions on Further Strengthening the Construction of Safety System for New Energy Vehicle Enterprises (《關於進一步加強新能源汽車企業安全體系建設的指導意見》) issued by the General Office of the MIIT, the General Office of the Ministry of Public Security, the General Office of the Ministry of Transport, the General Office of the Ministry of Emergency Management and the State Administration for Market Regulation on March 29, 2022, it proposed to comprehensively enhance the safety

capabilities of enterprises in safety management mechanism, product quality, operation monitoring, after-sales service, accident response and handling, as well as network security, improve the safety of new energy vehicles, and promote the high-quality development of the new energy vehicle industry.

(IV) REGULATIONS RELATING TO COMPULSORY PRODUCT CERTIFICATION

According to the Administrative Regulations on Compulsory Product Certification (《強制性產品認證管理規定》) promulgated by the SAMR on July 3, 2009 and effective from September 1, 2009, the SAMR is in charge of the compulsory product certification nationwide, and the Certification and Accreditation Administration of the People's Republic of China is in charge of the organization, implementation, supervision, administration and comprehensive coordination of the compulsory product certification of the whole country, while local quality and technical supervision authorities at all levels and the entry-exit inspection and quarantine authorities, in accordance with the laws and their respective responsibilities, are responsible for the supervision, administration, enforcement and investigations of compulsory product certification activities within their jurisdiction. With respect to products which are subject to compulsory product certification, China has issued a uniform catalogue of products, uniform compulsory technical requirements, standards and compliance review procedures, uniform certification signs and uniform fee-charging standards. According to the List of the First Batch of Products Subject to Compulsory Product Certification (《第一批實施強制性產品認證的產品目錄》), which was issued by the SAMR jointly with the Certification and Accreditation Administration of the People's Republic of China and effective from December 3, 2001, the motor vehicles and their safety accessories, motor vehicle tires and safety glass in the absence of the compulsory product certificate and the mandatory certification mark of China shall not leave the factory, export or put on sale.

(V) REGULATIONS RELATING TO BATTERY RECYCLING FOR ELECTRIC VEHICLES

The Interim Measures for the Administration of Recycling Traction Batteries of New Energy Vehicles (《新能源汽車動力蓄電池回收利用管理暫行辦法》), which was promulgated by the MIIT in conjunction with the Ministry of Science and Technology, the Ministry of Environmental Protection, the Ministry of Transport, the MOFCOM, the AQSIQ and the National Energy Administration on January 26, 2018 and effective from August 1, 2018, implements the system of extended responsibility of producers, according to which the main responsibility for traction battery recycling is borne by automobile manufacturers, and relevant enterprises shall fulfill their corresponding responsibilities in all aspects of traction battery recycling and utilization to ensure the effective use and environmentally-friendly disposal of traction batteries.

According to the Interim Provisions on Traceability Management of Traction Battery Recycling for New Energy Vehicles (《新能源汽車動力蓄電池回收利用溯源管理暫行規定》), which was issued by the MIIT on July 2, 2018 and effective from August 1, 2018, the "Integrated Management Platform for National Monitoring of New Energy Vehicles and Traceability of Traction Battery Recycling and Utilization" (新能源汽車國家監測與動力蓄電池回收利用溯源綜合管理平台) shall be established to collect information on the whole

lifecycle of traction battery production, sales, use, disposal, recycling and utilization, and to monitor the fulfillment of the responsibility of battery recycling and utilization by the subjects of each link. From the effective date of the Interim Provisions on Traceability Management of Traction Battery Recycling for New Energy Vehicles, the new energy vehicle products that have obtained the Announcement of Road Power-Driven Vehicle Manufacturing Enterprises and Products and the imported new energy vehicles that have obtained compulsory product certification are managed in a traceable manner. For the new energy vehicle products that have obtained access approval and the imported new energy vehicles that have obtained compulsory product certification before the effective date of the Interim Provisions on Traceability Management of Traction Battery Recycling for New Energy Vehicles, the implementation of traceability management will be delayed for 12 months. If, after the deadline, it is necessary to use traction batteries that are not coded according to national standards in the process of maintenance or other processes, an explanation shall be submitted.

(VI) FAVORABLE POLICIES RELATING TO NEW ENERGY VEHICLES IN CHINA

1. Government Subsidies for New Energy Vehicle Purchasers

According to the Notice by the MOF, the Ministry of Science and Technology, the MIIT and the NDRC of the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles in 2016-2020 (《財政部、科學技術部、工業和信息化部、發展改革委關於2016-2020年新能源汽車推廣應用財政支持政策的通知》) jointly promulgated by the MOF, the Ministry of Science and Technology, the MIIT and the NDRC on April 22, 2015 and effective from the same date, those who purchase NEVs included in the Catalog of Recommended New Energy Vehicle Models for Promotion and Application (《新能源汽車推廣應用工程推薦車型目錄》) from 2016 to 2020 may obtain subsidies. The Notice specifies that the subject of the subsidies for new energy vehicles purchases are consumers, who will receive the subsidy in the form of an amount settled between the new energy vehicle manufacturer and the consumer at the price after deducting the subsidy when selling the product, and then the subsidy advanced by the enterprise will be paid by the central government to the new energy vehicle manufacturer in accordance with procedures. According to the Notice, the subsidy standard for other models (excluding fuel cell vehicles) for 2017 to 2020 is appropriately reduced, of which, the subsidy standard for 2017 to 2018 is reduced by 20% as compared to that of 2016, and for 2019 to 2020 by 40% as compared to that of 2016.

According to the Notice of Adjusting the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles (《關於調整新能源汽車推廣應用財政補貼政策的通知》) jointly promulgated by the MOF, the Ministry of Science and Technology, the MIIT and the NDRC on December 29, 2016 and effective from January 1, 2017, the threshold of the Catalog of Recommended Models for obtaining government subsidy was raised and the subsidy from local government shall not exceed 50% of the subsidy from the central government for every vehicle. Meanwhile, it specifies that the central and local subsidy standards and caps for other models (excluding fuel cell vehicles) from 2019 to 2020 will be reduced by 20% as compared to the then existing subsidy standards.

According to the Notice of Adjusting and Improving the Policies on the Government Subsidies for Promotion and Application of New Energy Vehicles (《關於調整完善新能源汽車推廣應用財政補貼政策的通知》) (or referred to as the "**2018 Notice of the Polices on Government Subsidies for Vehicles**") and the Notice of Further Improving the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles (《關於進一步完善新能源汽車推廣應用財政補貼政策的通知》) (Caijian 2019 No. 138) (or referred to as the "**2019 Notice of the Polices on Government Subsidies for Vehicles**") jointly promulgated by the MOF, the Ministry of Science and Technology, the MIIT and the NDRC between 2018 and 2019, the aforementioned notices gradually adjusted the subsidy scheme for the promotion of new energy vehicles and the product technical specifications for new energy vehicles.

According to the Notice of Improving the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles (《關於完善新能源汽車推廣應用財政補貼政策的通知》) (or referred to as the "**2020 Notice of the Policies on Government Subsidies for Vehicles**") jointly promulgated by the MOF, the Ministry of Science and Technology, the MIIT and the NDRC on April 23, 2020 and came into effect on the same day, the implementation period of the policies on government subsidies for new energy vehicles was extended to the end of 2022, and it confirms that the subsidy standards for 2020 to 2022 will be in principle reduced by 10%, 20% and 30% respectively from a year earlier, and the subsidized vehicles shall be in principle capped at approximately 2 million units per year. The Notice stipulates that since 2020, new energy passenger vehicles and commercial vehicles enterprises shall make a single application for subsidy settlement of 10,000 and 1,000 units respectively, and new energy passenger vehicles must be sold for not more than RMB300,000 before the subsidy, except for the vehicles adopting battery-swapping technology. The abovementioned four departments jointly promulgated the Notice on Further Improving the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles (《關於進一步完善新能源汽車推廣應用財政補貼政策的通知》) (or referred to as the "**2021 Supplementary Notice of the Polices on Government Subsidies for Vehicles**") on December 31, 2020, which specifies that the subsidy standard for new energy vehicles in 2021 will be reduced by 20% as compared to that of 2020. The abovementioned four departments further jointly promulgated the Notice of Improving the Policies on Government Subsidies for Promotion and Application of New Energy Vehicles in 2022 (《關於2022年新能源汽車推廣應用財政補貼政策的通知》) (or referred to as the "**2022 Supplementary Notice of the Policies on Government Subsidies for Vehicles**") on December 31, 2021, which specifies that the subsidy standard for new energy vehicles in 2022 will be reduced by 30% as compared to that of 2021 and it also specifies that the 2022 policies on government subsidies for new energy vehicles will end on December 31, 2022.

2. Exemption of Vehicle Purchase Tax

According to the Announcement on the Exemption of Vehicle Purchase Tax on New Energy Vehicles (《關於免徵新能源汽車車輛購置稅的公告》) jointly promulgated and implemented by the MOF, the SAT, the MIIT, and the Ministry of Science and

Technology on December 26, 2017, from January 1, 2018 to December 31, 2020, purchases of the new energy vehicles listed in the Catalog of New Energy Vehicle Models Exempt from Vehicle Purchase Tax (《免徵車輛購置税的新能源汽車車型目錄》) are exempt from vehicle purchase tax.

According to the Announcement of the Policies on the Exemption of Vehicle Purchase Tax on New Energy Vehicles (《關於新能源汽車免徵車輛購置税有關政策的公告》) jointly promulgated by the MOF, the SAT and the MIIT on April 16, 2020 and effective from January 1, 2021, the exemption period for the vehicle purchase tax on new energy vehicles will be further extended to December 31, 2022.

On August 19, 2022, at the executive meeting held by the State Council, it was decided that for NEVs, the policy on vehicle purchase tax exemption will be extended until the end of 2023, with the continuous support of exemption from vehicle and vessel tax, consumption tax, right of way, license plate, etc.

3. Exemption of Vehicle and Vessel Tax

According to the Notice of the Policies on Energy-saving and New-energy Vehicles Enjoying Vehicle and Vessel Tax Reduction and Exemption (《關於節能新能源車船享受車船税優惠政策的通知》) jointly promulgated by the MOF, the Ministry of Transport, the SAT, and the MIIT on July 10, 2018 and effective from the same date, purely electric commercial vehicles, plug-in (including extended-range) hybrid vehicles, fuel cell commercial vehicles are exempt from vehicle and vessel tax, whereas purely electric passenger vehicle and fuel cell passenger vehicles are not subject to vehicle and vessel tax. The Catalog of New Energy Vehicle Models Enjoying Vehicle and Vessel Tax Reduction and Exemption (《享受車船税減免優惠的節約能源使用新能源汽車車型目錄》) jointly promulgated by MIIT and the SAT from time to time lists the new energy vehicle models eligible for enjoying vehicle and vessel tax reduction and exemption.

4. Plates of New Energy Vehicles

In order to ease road traffic congestion and improve air quality, local governments in Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, China have issued restrictions on the issuance of plates, while generally offered exemption from such restrictions for the plates of new energy vehicles, allowing new energy vehicle consumers to obtain plates more easily. For example, according to the Implementation Measures on Encouraging Purchase and Use of New Energy Vehicles in Shanghai (《上海市鼓勵購買和使用新能源汽車實施辦法》) jointly promulgated by the Shanghai Development and Reform Commission, Shanghai Municipal Economy and Information Technology Commission, Shanghai Municipal Commission of Commerce, Shanghai Municipal Transportation Commission and Shanghai Public Security Bureau on February 4, 2021 and effective from March 1, 2021, from the date of implementation to December 31, 2023, the special plate quota will be issued for free to qualified consumers who purchase new energy vehicles, while from January 1, 2023, the special license plate quota will no longer issued to consumers who purchase plug-in hybrid (including extended-range) vehicles.

According to the Notice by the General Office of Hangzhou Municipal People's Government of the Issuance of the Provisions on the Regulation of the Total Number of Passenger Vehicles in Hangzhou (《杭州市人民政府辦公廳關於印發杭州市小客車總量調控管理規定的通知》) issued by the General Office of Hangzhou Municipal People's Government on January 6, 2017, qualified entities and individuals who apply for the registration of passenger vehicles and imported purely electric vehicles listed in the Catalog of Recommended New Energy Vehicle Models for Promotion and Application (《新能源汽車推廣應用推薦車型目錄》) by the MIIT can apply for plates directly, without going through any lottery or bidding procedures.

5. Policies Relating to Incentives for Electric Vehicle Charging Infrastructure

According to the Guiding Opinions of the General Office of the State Council on Accelerating the Promotion and Application of New Energy Vehicles (《國務院辦公廳關於加快新能源汽車推廣應用的指導意見》) effective on July 14, 2014, the Guiding Opinions of the General Office of the State Council on Accelerating the Construction of Electric Vehicle Charging Infrastructure (《國務院辦公廳關於加快電動汽車充電基礎設施建設的指導意見》) effective on September 29, 2015 and the Guidance on the Development of Electric Vehicle Charging Infrastructure (2015-2020) (《電動汽車充電基礎設施發展指南(2015-2020年)》) effective on October 9, 2015, in recent years, the PRC government has actively promoted the construction of charging infrastructure and requires local governments to actively build urban public charging facilities and appropriately simplify relevant planning and construction approval, improve the policies on fiscal prices and gradually standardize the charging services pricing mechanism, with the aim to add more than 12,000 centralized charging piles and 4.8 million decentralized charging piles by 2020 to meet the charging needs of 5 million electric vehicles nationwide.

According to the Notice of the Incentive Policies on the 13th Five-Year Plan New Energy Vehicle Charging Infrastructure and the Strengthening in the Promotion and Application of New Energy Vehicles (《關於「十三五」新能源汽車充電基礎設施獎勵政策及加強新能源汽車推廣應用的通知》) jointly promulgated and implemented by Ministry of Finance, the Ministry of Science and Technology, the MIIT, the NDRC and the NEA on January 11, 2016, from 2016 to 2020, the central government will provide incentives and subsidies to local governments with relatively sound charging infrastructure and relatively large-sized promotion and application of new energy vehicles to encourage them to formulate and introduce measures on charging infrastructure construction and operation management and local incentive policies in line with local realities.

According to the Notice on Accelerating the Development of Electric Vehicle Charging Infrastructure in Residential Areas (《關於加快居民區電動汽車充電基礎設施建設的通知》) jointly promulgated by the NDRC, the NEA, the MIIT and the MOHURD on July 25, 2016, new residential areas shall unify the laying of power supply lines to dedicated fixed parking spaces with pre-reserved room for meter boxes, charging facility installation locations and electricity capacity, and develop the construction plans on power supply facilities for public parking spaces according to local conditions, facilitating the construction and installation of

charging infrastructure, and local governments are encouraged to take the lead in developing a comprehensive pilot construction program for the construction and operation of charging infrastructure in residential areas and actively carrying out pilot demonstrations.

According to the Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》) promulgated by the General Office of State Council on October 20, 2020, China will accelerate construction of charging infrastructure, improve the level of charging infrastructure services, and encourage business model innovation.

Pursuant to the Notice on the Issuance of Financial Support to Facilitate Efforts in Reaching Peak Carbon Dioxide Emissions and Carbon Neutralization (《關於印發財政支持做好碳達峰碳中和工作的意見的通知》) issued by the Ministry of Finance on May 25, 2022, it proposes to vigorously support the development of new energy vehicles and improve the supporting policies for charging and replacement infrastructure.

Pursuant to the Opinions on Promoting Urbanization Construction with County Towns as an Important Carrier (《關於推進以縣城為重要載體的城鎮化建設的意見》) issued and implemented by the General Office of the CPC Central Committee and the General Office of the State Council on May 6, 2022, it emphasizes to improve municipal transportation facilities. One of the initiatives is to accelerate the construction of charging piles by optimizing the construction layout of public charging and replacement facilities.

According to the Implementation Plan for New-type Urbanization During the 14th Five-Year (《「十四五」新型城鎮化實施方案》) promulgated by the NDRC on June 21, 2022, it will optimize the construction layout of public charging facilities, improve the charging facilities of residential areas and public parking, and construct charging facilities or reserve installation conditions for all the reserved parking spaces of new residential areas.

According to the Implementation Plan for Reaching Peak Carbon Dioxide Emissions in Urban-Rural Development (《城鄉建設領域碳達峰實施方案》) promulgated and implemented by the MOHURD and the NDRC on June 30, 2022, it encouraged the selection of NEVs and promoted the construction of community charging and replacement facilities.

6. Corporate Average Fuel Consumption and New Energy Vehicle Credits Scheme for Vehicle Manufacturers and Importers

According to the Measure on the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises (《乘用車企業平均燃料消耗量與新能源汽車積分並行管理辦法》) jointly promulgated by the MIIT, the MOF, the MOFCOM, the General Administration of Customs and the SAMR on September 27, 2017 and effective from April 1, 2018, vehicle manufacturers and vehicle importers meeting a certain scale are required to

maintain their new energy vehicles credits, or NEV credits, above zero. The NEV credits for Passenger Vehicle Enterprises are the difference between the actual value of the enterprise's NEV credits and the standard value, with positive credits being arisen when the actual value is higher than the standard value, otherwise negative credits. Enterprises can only obtain NEV credits by manufacturing or importing new energy vehicles. Excess positive credits for new energy vehicles held by passenger vehicle enterprises can be freely traded in the credit management system established by the MIIT. For an enterprise with negative NEV credits, it may offset such credits by purchasing excess positive NEV credits from other vehicle enterprises. Positive NEV credits may not be transferred, except for positive NEV credits generated in 2019 which can be carried forward in equal amounts for the next year.

According to the Decision on Amending the Measures for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises (《關於修改〈乘用車企業平均燃料消耗量與新能源汽車積分並行管理辦法〉的決定》) jointly promulgated by the MIIT, the MOF, the MOFCOM, the General Administration of Customs and the SAMR on June 15, 2020 and effective from January 1, 2021, passenger vehicles capable of burning alcohol-ether fuel are included in the scope of traditional energy passenger vehicles under the Management Measures, which also specifically refines and modifies the credits calculation methods for different models of new energy passenger vehicles.

On July 7, 2022, the MIIT requested public comments on the Decision on Amending the Measures for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises (Draft for Comments) (《關於修改〈乘用車企業平均燃料消耗量與新能源汽車積分並行管理辦法〉的決定(徵求意見稿)》. The draft for comments proposed to establish a mechanism for the collection and release of positive credits of NEVs, ensuring the smooth operation of the credit trading market. The MIIT established a credit pool for the collection and release of positive credits of NEVs. It clarified the ratio requirements for assessing NEV credits from 2024 to 2025 were 28% and 38%, respectively, and adjusted the calculation method and cap of credits accordingly. In addition, the draft for comments also added the requirement that enterprises shall publicly announce their average carbon emission levels.

7. Recent Policies to Promote New Energy Vehicle Consumption

Pursuant to the Guiding Opinions on Further Promoting Electric Energy as Replacement (《關於進一步推進電能替代的指導意見》) jointly issued by ten ministries and commissions including the NDRC and the MIIT on March 4, 2022, it proposes to further promote the electrification of the transportation sector. It suggests the acceleration of the electrification of urban public transport by prioritizing the use of new energy vehicles in sectors such as urban public transport, taxis, sanitation, postal services, logistics and distribution. Where vehicles and equipment need to be added and replaced in key areas of air pollution prevention and control such as ports and airports, those areas shall prioritize the use of new energy vehicles. Besides, it vigorously promotes household electric vehicles and speeds up the construction of infrastructure such as electric vehicle charging piles.

Pursuant to the Opinions on Further Unleashing Consumption Potential to Promote Sustained Recovery of Consumption (《關於進一步釋放消費潛力促進消費持續恢復的意見》) issued and implemented by the General Office of the State Council on April 25, 2022, it emphasizes to break down the barriers of consumption restrictions. One of the initiatives is to steadily increase the consumption of automobiles and other consumption in bulk stocks and no additional vehicle purchase restriction measures shall be issued in all regions. In the regions where purchase restrictions have been implemented, it shall gradually increase the number of vehicle increment indicators, relax the eligibility criteria for vehicle purchasers, and gradually remove vehicle purchase restrictions based on local conditions; vigorously develop green consumption and continue to support the acceleration of development of new energy vehicles, as well as fully tap into the consumption potential in counties and townships, while emphasizing on guiding enterprises to carry out promotions in rural areas with the focus on automobiles and home appliances, encouraging eligible areas to introduce new energy vehicles and green smart home appliances to the countryside, and promoting the construction of charging piles (stations) and other supporting facilities, so as to fully explore consumption potentials from counties and villages.

Pursuant to the Notice of the State Council on Issuance of a Series of Policies and Measures to Consolidate and Stabilize the Economy (《國務院關於印發扎實穩住經濟一攬子政策措施的通知》) issued by the State Council on May 31, 2022, it emphasizes to steadily increase the consumption of automobiles and other consumption in bulk stock, and no additional automobile purchase restrictions shall be issued in all regions. In the regions where purchase restrictions have been implemented, it shall gradually increase the number of vehicle increment indicators, relax the eligibility criteria for vehicle purchasers, and encourage the implementation of differentiated policies based on urban and rural indicators; optimize the investment, construction and operation models of new energy vehicle charging piles (stations), and gradually realize full coverage of charging facilities in all communities and operating parking lots, and accelerate the construction of charging piles (stations) in expressway service areas, passenger transport hubs and other areas.

According to the Notice on the Measures for Invigorating Automobile Circulation and Boosting Automobile Consumption (《關於搞活汽車流通擴大汽車消費若干措施的通知》) issued by 17 departments including the MOFCOM on July 5, 2022, it provided to (1) support the purchase of NEVs; (2) accelerate the activation of the second-hand cars market; (3) promote vehicle renewal consumption; (4) promote the sustainable and healthy development of the parallel import of vehicles; (5) optimize the environment for vehicle use; (6) enrich vehicle financing services.

In addition, various provinces and cities recently have also actively responded and introduced tailor-made domestics polices for promoting vehicle consumption. For example: (1) On May 21, 2022, the Shanghai Municipal People's Government issued the Work Plan for Accelerating Economic Recovery and Revitalization for Shanghai (《上海市加快經濟恢復和重振行動方案》), which proposes to vigorously promote vehicle consumption, increase the quota of non-commercial passenger vehicle license plates by 40,000 for the year and implement phased

reduction of the purchase tax for certain passenger vehicles as required by the national policy. Prior to December 31, 2022, individual consumers who scrap or transfer out a passenger car registered under his name in Shanghai which meets the relevant standards and purchase a battery electric vehicle, is entitled to financial subsidies of RMB10,000 per vehicle. (2) On April 27, 2022, the General Office of the Guangdong Province People's Government issued the Notice on Several Measures for Further Promoting Consumption in Guangdong Province (《廣東省進一步促進消費若干措施的通知》), which emphasizes to encourage vehicle consumption. Firstly, the special campaign for automobile "old for new" service will continue, and subsidies are granted to those who scrap or transfer out old vehicles with license plates registered in Guangdong under their names and buy new ones in their respective provinces with old-for-new promotion models and licensed in the province. Among which, subsidies for scraping old vehicles and purchasing new energy vehicles are RMB10,000 per unit and for scraping old vehicles and purchasing ICE vehicles are RMB5,000 per unit; subsidies for transferring out old cars and purchasing new energy vehicles are RMB8,000 per unit and for transferring out old cars and purchasing ICE vehicles are RMB3,000 per unit. Secondly, it encourages purchase of new energy vehicles. From May 1 to June 30, 2022, subsidies for individual consumers who purchase new energy vehicle models within the range of old-for-new promotion models in their respective provinces are RMB8,000 per unit. Thirdly, it optimizes car purchase management. It further revises and improves the regulations on car purchase qualifications, and increases the number of vehicle incremental indicators; (3) On April 1, 2022, the Shandong Provincial People's Government issued the Notice on Issuance of the 2022 "Seeking Progress in Stability" High-Quality Development Policy List (Second Batch) (《關於印發2022年「穩中求進」高質量發展政策清單(第二批)的通知》), which requires the implementation of the national new energy vehicle promotion and application financial subsidy policy. In 2022, the maximum subsidies for new energy vehicles in the non-public sector is up to RMB50,400 per vehicle, and the maximum subsidies for new energy vehicles in the public sector is up to RMB64,800 per vehicle. The Shandong Provincial Department of Commerce, Shandong Provincial Development and Reform Commission, Shandong Provincial Department of Finance and Shandong Provincial Bureau of Statistics jointly issued the Notice on Several Measures to Promote Automobile Consumption in Shandong Province (《關於山東省促進汽車消費若干措施的通知》) on May 22, 2022, as of June 30, 2022, consumer coupons worth of RMB3,000 to RMB6,000 will be granted to individual consumers who purchase new energy passenger cars (except second-hand vehicles) and obtain license in Shandong Province based on the purchase amount for each vehicle; consumer coupons worth of RMB2,000 to RMB5,000 will be granted to individual consumers who purchase ICE passenger cars (except second-hand vehicles) and obtain license in Shandong Province based on the purchase amount for each vehicle; For individual consumers who scrap their old vehicles to purchase new vehicles (except second-hand vehicles), on the basis of the above standards, an additional consumer coupon worth of RMB1,000 will be granted to each vehicle; (4) On May 24, 2022, the People's Government of Hubei Province issued the Notice of the General Office of the Provincial People's Government on the Issuance of Certain Measures to Accelerate the Recovery and Boosting of Consumption (《省人民政府辦公廳關於印發加快消費恢復提振若干措施的通知》) to encourage automobile consumption, the key measures include: ① the implementation of a special campaign to exchange old

vehicles for new ones from June to December 2022, which provides subsidies to individual consumers who scrap or transfer out old vehicles with Hubei license plates under their names while purchasing new vehicles in Hubei Province and registering them in the province, with the required funds to be shared among the provincial government and municipalities at 50% respectively. Among which: subsidies for scrapping old vehicles and purchasing new energy vehicles are RMB8,000 per vehicle, and subsidies for scrapping old vehicles and purchasing ICE vehicles are RMB3,000 per vehicle; subsidies for transferring out old vehicles and purchasing new energy vehicles are RMB5,000 per vehicle, and subsidies for transferring out old vehicles and purchasing fuel vehicles are RMB2,000 per vehicle. The tax reduction policy of reducing the VAT on second-hand vehicle transactions from 2% to 0.5% will be fully implemented to reduce the costs of second-hand vehicle trading and improve circulation efficiency. Vehicle production will be encouraged and trading enterprises are encouraged to adopt various methods to benefit consumers; ② the organization and implementation of a new round of new energy vehicle introduction to the countryside; ③ carrying out new energy vehicle promotion activities and the implementation of the existing national promotion subsidy and exemption from vehicle purchase tax policy for consumers (including business units) who purchase new energy vehicles.

(VII) REGULATIONS RELATING TO INTERNET INFORMATION AND AUTOMOTIVE DATA SECURITY

Internet information in the PRC is regulated and restricted from a national security standpoint. Pursuant to the Decision on the Maintenance of Internet Security (《關於維護互聯網安全的決定》) passed by the SCNPC on December 28, 2000 and last amended and effective from August 27, 2009, anyone who commits any of the following acts, which constitutes a crime, making use of the internet shall be investigated for criminal responsibility in accordance with laws: (1) invading the computer data system of state affairs, national defense buildup or the sophisticated realms of science and technology; (2) intentionally inventing and spreading destructive programs such as computer viruses to attack the computer system and the communications network, thus damaging the computer system and the communications network; (3) in violation of state regulations, discontinuing the computer network or the communications service without authorization, thus making it impossible for the computer network or the communications system to operate normally; (4) making use of the computer network to spread rumors, libels or publicize or disseminate other harmful information for purpose of instigating attempts to subvert state power and overthrow the socialist system, or to split the country and undermine unification of the state; (5) stealing or divulging state secrets, intelligence or military secrets via the computer network; (6) making use of the computer network to instigate ethnic hostility or discrimination, and thus undermining national unity; (7) making use of the computer network to form cult organizations or contact members of cult organizations, thus obstructing the implementation of state laws and administrative regulations; (8) making use of the computer network to sell shoddy products or give false publicity to commodities or services; (9) making use of the computer network to jeopardize another person's business credibility and commodity reputation; (10) making use of the computer network to infringe on another person's intellectual property right; (11) making use of the computer network to fabricate and spread false information which affects the exchange of securities and futures or other

information which disrupts financial order; (12) establishing on the computer network pornographic web sites or web pages, providing services for connecting pornographic web sites, or spreading pornographic books and periodicals, movies, audiovisuals or pictures.

Pursuant to the Administrative Measures for the Security Protection of the International Networking of Computer Information Networks (《計算機信息網絡國際聯網安全保護管理辦法》) issued by the Ministry of Public Security on December 16, 1997 and last amended and effective from January 8, 2011, the agency of computer administration and supervision under the Ministry of Public Security shall be in charge of the work of security protection administration of the international networking of computer information networks. It is forbidden to use the international networking to divulge state secrets, endanger state security and engage in illegal criminal activities.

Pursuant to the National Security Law of the People's Republic of China (《中華人民共和國國家安全法》) issued by the SCNPC and implemented on July 1, 2015, no individual or organization shall compromise national security or provide any funding or assistance to any individual or organization that compromises national security. The state shall establish the rules and mechanisms for national security review and supervision, and conduct national security review of foreign investment, particular materials and key technologies, network information technology products and services that affect or may affect national security, construction projects that involve national security matters, and other major matters and activities to effectively prevent and resolve national risks.

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) issued by the SCNPC on November 7, 2016 and implemented on June 1, 2017, the state shall implement the rules for graded protection of cybersecurity. Network operators shall, according to the requirements of laws and requirements as well as the mandatory requirements of national and industry standard, develop internal security management mechanisms, take technical measures and other necessary measures to ensure network security and stable operation. The state emphasizes the protection of critical information infrastructure in important sectors and areas such as public telecommunications and information services, energy, transportation, irrigation, finance, public services, e-government, etc., which may gravely harm national security, national economy, people's livelihood and public interest. Personal information and important data collected and produced by critical information infrastructure during operation shall be stored within the territory; where due to business requirements it is truly necessary to provide it outside the mainland, a security assessment shall be conducted according to the requirements of relevant departments. Under the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), where network operators provide network access and domain registration services for users, handle network access formalities for fixed-line or mobile phone users, or provide users with information release services, instant messaging services and other services, they shall require users to provide true identity information, or otherwise, the network operators shall not provide them with relevant services. The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) also specifies that the network operators shall provide technical support and assistance to public security organs and state security organs for safeguarding national security and crime investigation activities. Network operators in violation of the provisions of this law may be subject to penalties, such as being ordered to

make rectifications, given warnings or fines, confiscated of unlawful gains, ordered to a temporary suspension of operations, a suspension of business for corrections, closing down of websites, revocation of relevant operations permits, etc. Pursuant to the Notice to Seek Public Comments on the "Decision to Revise the Cybersecurity Law of the People's Republic of China (Draft for Comments) (《關於修改〈中華人民共和國網絡安全法〉的決定（徵求意見稿）》) ('Cybersecurity Law Revision Draft')" issued by the CAC on September 14th, the violations of the Cybersecurity Law might be subject to more severe punishment if the Cybersecurity Law Revision Draft is implemented in its current form. Specifically, the Cybersecurity Law Revision Draft enhanced the punishment against violations of the network operation security obligation, the critical information infrastructure operation security obligation, and the network information security obligation by increasing the upper limits of the fines and imposing additional punishment. The Cybersecurity Law Revision Draft also enhanced the punishment against personal information infringement by referencing to the punishment under applicable laws which would include relevant punishment under the Personal Information Protection Law.

Pursuant to the Provisions on the Technical Measures for the Protection of the Security of the Internet (《互聯網安全保護技術措施規定》) issued by the Ministry of Public Security on December 13, 2005 and implemented on March 1, 2006, the providers of internet services shall carry into effect the technical measures for security protection in accordance with laws, record and preserve user information (including registration information, time of log in and log out, IP address, contents released by users and release time) for not less than 60 days.

Pursuant to the Announcement on Launching the Security Certification of Apps (《關於開展APP安全認證工作的公告》) jointly issued by the Office of the Central Cyberspace Affairs Commission and the SAMR and implemented on March 13, 2019 and the appendix Rules for Implementing the Security Certification of Mobile Internet Applications (APP) (《移動互聯網應用程序（APP）安全認證實施規則》), the state encourages the APP operators to pass the APP security certification on a voluntary basis, and encourages search engines and APP stores to provide clear identification and give priority to APPs that pass the certification.

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) passed by the SCNPC on June 10, 2021 and implemented on September 1, 2021, the state establishes a classified and tiered system for data protection. When conducting data processing activities, one shall comply with laws and regulations, establish a sound, full-range data security and management system, organize and conduct data security education and training as well as take corresponding technical measures and other necessary measures to protect data safety. The use of the internet and other information networks to carry out data processing activities shall, on the basis of the hierarchical network security protection system, fulfill the obligations of data security protection. The processors of important data shall, in accordance with relevant provisions, carry out risk assessment on their data processing activities on a regular basis and submit risk assessment reports to the relevant competent authorities. Relevant organizations and individuals shall cooperate with public security departments or state security organs in obtaining data for the purpose of safeguarding state security or investigating crimes according to law. Those who fail to fulfill the obligations of data security protection and provide important data abroad in violation of the law will be ordered to correct, warned, fined, suspended with their business or suspended for rectification, or revoked of relevant business licenses.

According to the Opinions on Strictly Cracking Down on 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》) jointly issued by the General Office of the CPC Central Committee and the General Office of the State Council on July 6, 2021, China will strengthen the standard review in data security, cross-border data flow and confidential information management.

On September 30, 2021, the MIIT issued the Measures for Data Security Administration in the Industry and Information Technology Field (Trial Implementation) (Draft for Comments) (《工業和信息化領域數據安全管理辦法(試行)(徵求意見稿)》) for public comments and on February 10, 2022, the MIIT issued again the Measures for public comments. In accordance with the draft measures, the industrial and telecommunication data processors shall classify data firstly based on the data's category and then based on its security level on a regular basis, to classify and identify data based on the industry requirements, business needs, data sources and purposes and other factors, and to make a data classification list. In addition, the industrial and telecommunication data processors shall establish and improve a sound data classification management system, take measures to protect data based on the levels, carryout key protection of critical data, implement stricter management and protection of core data on the basis of critical data protection, and implement the protection with the highest level of requirement if different levels of data are processed at the same time. The draft measures also impose certain obligations on industrial and telecommunication data processors in relation to, among others, implementation of data security work system, administration of key management, data collection, data storage, data usage, data transmission, provision of data, publicity of data, data destruction, safety audit and emergency plans, etc. As of the Latest Practicable Date, the draft measures have not been formally adopted.

The Administrative Provisions on Security Vulnerability of Network Products (《網絡產品安全漏洞管理規定》) (the "**Provisions**") was jointly promulgated by the MIIT, the CAC and the Ministry of Public Security 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 Provisions 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. In response to the Cybersecurity Law, 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 Provisions, the breaching parties may be subject to monetary fine as regulated in accordance with the Cybersecurity Law. Since the Provisions is relatively new, uncertainties still exist in relation to its interpretation and implementation.

According to the Several Provisions on the Management of Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) ("**Several Provisions on Automotive Data**") jointly issued by the CAC, NDRC, MIIT, the Ministry of Public Security and the Ministry of Transport on August 16, 2021 and implemented on October 1, 2021, automobile data processors including automobile manufacturers,

components and parts and software suppliers, dealers, maintenance organizations, and ride-hailing and sharing service enterprises shall process automobile data in a lawful, legitimate, specific and clear manner, and such data include personal information and important data involved during the design, production, sales, use, operation and maintenance, among others, of vehicles. Automobile data processors are encouraged by the Several Provisions on Automobile Data to adhere to the following principles: the principle of in-vehicle processing, unless it is indeed necessary to transfer data out of the vehicle; the principle of non-collection by default; the principle of appropriate accuracy and coverage, and the principle of desensitization. Automobile data processors shall obtain individual consent for processing personal information or rely on other legal bases in accordance with applicable laws and regulations. Where the automobile data processors collect data containing images of people outside the vehicle and transmit the data out of the vehicle for the purpose of improving driving safety, and if it is not possible to obtain the consent of these people, such personal information shall be anonymized by means such as deleting the pictures containing identifiable natural persons, or partially contouring the facial information in the pictures. The Provisions also provided that important data means the data that may endanger national security, public interests, or the lawful rights and interests of individuals or organizations once it has been tampered with, destroyed, leaked, or illegally obtained or used, including data of important sensitive areas, operating data of vehicle charging networks, personal information involving more than 100,000 personal information subjects, video and image data outside the vehicles that contain face information, license plate information, etc. Important data shall be stored domestically by laws. If such data need to be provided outside China due to business needs, it shall go through the safety assessment organized by the CAC and relevant ministries of the State Council. To process important data, automobile data processors shall conduct risk assessment in accordance with the regulations and submit risk assessment reports to related departments at provincial levels. As of the Latest Practicable Date, no implementing rule had been published in this regard. In addition, automotive data processor processing important data shall, by December 15 of each year, report to the related departments at provincial levels the information on automotive data security management. The implementation of such requirement on annual report is subject to the authority of related departments at provincial levels. Illegal automobile data processors shall bear administrative punishment by laws and if a crime is committed, shall bear criminal liability. See "Business — Cybersecurity, Data Privacy and Personal Information."

According to the Regulations on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) issued by the State Council on July 30, 2021 and implemented on September 1, 2021, critical information infrastructure means network facilities and information systems in important industries and fields – such as public communication and information services, energy, transportation, irrigation, finance, public services, e-government, and science and technology industries for national defense - that may seriously endanger national security, national economy and people's livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The Regulations emphasize that no individual or organization may engage in any activity of illegally hacking into, interfering with, or damaging any critical information infrastructure or endanger the critical information infrastructure security.

On April 13, 2020, the Cybersecurity Review Measures (《網絡安全審查辦法》) was jointly promulgated by the CAC, the NDRC, the MIIT, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration, the National Administration of State Secrets Protection and the State Cryptography Administration, revised on December 28, 2021 by the aforementioned departments and the China Securities Regulatory Commission, and the revised Cybersecurity Review Measures was formally implemented on February 15, 2022. According to the revised Cybersecurity Review Measures, operators of online platforms with personal information of more than one million users must file a cybersecurity review with the Cybersecurity Review Office when they pursue listing in a foreign country. In the meantime, the governmental authorities have the discretion to initiate a cybersecurity review on any data processing activity if they deem such a data processing activity affects or may affect national security. The specific implementation rules on cybersecurity review are subject to further clarification by subsequent regulations.

On October 29, 2021, the CAC issued the Measures for the Security Assessment of Cross-border Data Transmission (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》), and then on July 7, 2022, the CAC officially issued the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which will be effective and implemented on September 1, 2022. The Measures applies to the security assessment conducted by data processors where they provide overseas parties with important data and personal information collected and generated during the operation in the PRC. Based on the Measures, data processors shall apply for the security assessment of data cross-border transfer to the CAC through the provincial cyberspace administration in the place where they operate if they provide data outside China and fall into one of the following conditions: (1) data processors provide important data outside China; (2) operators of critical information infrastructure and data processors who process personal information of over 1 million users provide personal information outside China; (3) data processors who provide accumulative personal information of over 100,000 users or accumulative sensitive personal information of over 10,000 users outside China from January 1 of previous year provide personal information outside China; (4) other situation as required to declare the security assessment for data cross-border transfer as requested by the cyberspace administration.

On November 14, 2021, the CAC issued the Administration Regulations on Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), data processors who carry out the following activities, according to relevant regulations in China, shall apply for cybersecurity review: (1) the merger, reorganization or division of internet platform operators that have gathered a large amount of data resources related to national security, economic development and public interests, which affects or may affect national security; (2) the data processors who process personal information of at least one million users apply for overseas listing; (3) the data processors' listing in Hong Kong affects or may affect national security; (4) other data processing activities that affect or may affect national security. Large internet platform operators who set up headquarters or operation centers or research and development centers overseas shall report to the national cyberspace administration and the competent authorities. As of the Latest Practicable Date, the Regulations have not been formally adopted.

According to the Amendment (IX) to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》) issued by the SCNPC on August 29, 2015 and implemented on November 1, 2015, network service providers shall undertake criminal punishment if the network service providers breach the obligation of information network security management required by the Amendment (IX) to the Criminal Law of the People's Republic of China and reject the rectification ordered by relevant authorities.

(VIII) REGULATIONS RELATING TO INTELLIGENT CONNECTED VEHICLES AND AUTONOMOUS DRIVING

The MIIT, the Ministry of Public Security and the Ministry of Transport issued the Circular on the Norms on Administration of Road Testing of Intelligent Connected Vehicles (Trial Implementation) (《智能網聯汽車道路測試管理規範(試行)》) on April 3, 2018, which was implemented on May 1, 2018 and annulled currently. The aforesaid three authorities jointly issued and implemented the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) on July 27, 2021, which was implemented from September 1, 2021. Pursuant to the Circular on the Norms on Administration of Road Testing of Intelligent Connected Vehicles and Demonstration Application (Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》), any entity intending to conduct a road testing of autonomous driving vehicles must obtain a road-testing certificate and a temporary license plate for each tested vehicle. To qualify for above testing certificate and temporary license plate, an applicant entity must satisfy, among others, the following requirements: (1) it must be an independent legal person registered in PRC with the capacity to conduct intelligent connected vehicles-related businesses such as manufacturing, technological research and testing of vehicles and vehicle parts, which has established protocol to test and assess the performance of autonomous driving system and is capable of conducting real-time remote monitor of the road tested vehicles, and with the ability of event recording, analysis and reproduction of the vehicles under road testing and ensuring the network security of the vehicles under road testing and the remote monitor platforms; (2) the vehicle under road testing must be equipped with a driving system that can switch between autonomous pilot mode and human operating mode in a safe, quick and simple manner and allows human driver to take control of the vehicle any time immediately when necessary; (3) the tested vehicle must be equipped with the functions of recording, storing and real-time monitoring the condition of the vehicle and is able to transmit real-time data of the vehicle, such as the driving mode, location and speed; (4) the applicant entity must sign an employment contract or a labor service contract with the driver of the tested vehicle, who must be a licensed driver with more than three years' driving experience and a track record of safe driving and is familiar with the testing protocol for autonomous driving system and proficient in operating the system; (5) the applicant entity must insure each tested vehicle for at least RMB5 million against car accidents or provide a letter of guarantee covering the same. In addition, during testing, the testing entity should post a noticeable identification logo for autonomous driving test on each tested car and should not use autonomous driving mode unless in the permitted testing areas specified in the road-testing certificate. If the testing entity intends to conduct road testing in the region beyond the administrative territory of the certificate issuing authority, it must apply for a separate road-testing certificate and a separate temporary license plate from the relevant authority supervising the road-testing of autonomous cars in that region. In addition, the

testing entity is required to submit to the road-testing certificate issuing authority a periodical testing report every six months and a final testing report within one month after completion of the road testing. In the case of a car accident causing severe injury or death of personnel or vehicle damage, the testing entity must report the accident to the road-testing certificate issuing authority within 24 hours and submit a comprehensive analysis report in writing covering cause analysis, final liability allocation results, etc. within five working days after the traffic enforcement agency determines the liability for the accident.

Under the Opinions of the Ministry of Industry and Information Technology on Strengthening the Administration of Intelligent Connected Vehicle Manufacturers and Access of 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》), which was issued by the MIIT and implemented on July 30, 2021, the primary opinion that enterprises producing auto products with autonomous driving function shall ensure that the auto products at least satisfy the following requirements: (1) it is capable of automatically identify the failure of the autonomous driving system and whether the designed operating conditions are continuously met, and take risk mitigation measures to achieve the minimum risk level; (2) it is equipped with human-machine interaction function displaying the operating condition of the autonomous driving system; (3) it has an event data recording system and autonomous driving data recording system to meet relevant functions, performance and safety requirements for accident reconstruction, liability determination and cause analysis, etc.; (4) it must satisfy the safety requirements to ensure functional safety, expected functional safety, network safety and other process safety, as well as testing requirements such as simulation nature, closed area, actual road, network safety, software upgrade, data recording, to avoid foreseeable and preventable accidents under the designed operating conditions of the tested vehicles.

Pursuant to the Notice of the Ministry of Industry and Information Technology on Strengthening Network Safety and Data Safety Work of Vehicle Connectivity (《工業和信息化部關於加強車聯網網絡安全和數據安全工作的通知》) issued by the MIIT and implemented on September 15, 2021, enterprises engaged in vehicle connectivity shall strengthen the prevention and protection of intelligent connected vehicles safety, vehicle connectivity's network safety, vehicle connectivity's service platform safety and data safety, and improve the safety standard system, for network safety and data safety.

(IX) REGULATIONS RELATING TO PERSONAL PRIVACY PROTECTION

Under the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) issued by the MIIT on December 29, 2011 and effective on March 15, 2012, the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》) issued by the SCNPC and implemented on December 28, 2012, the Order for the Protection of Telecommunications and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》) issued by the MIIT and implemented on July 16, 2013, and the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) issued by the SCNPC on November 7, 2016 and implemented on June 1, 2017, any collection and use of a user's personal information must be legal, rational and necessary, and the user should be clearly notified the purposes, methods and scopes of collecting and using information, channels for enquiring and correcting information, and the consequence of refusal to provide information. An

internet information service provider shall be prohibited from divulging, tampering or destroying any personal information, or selling or providing such information to other parties. Any violation of these laws and regulations may subject to warnings, fines, confiscation of illegal gains, revocation of licenses, cancelation of filings, closedown of websites or even criminal liabilities.

The Announcement of Conducting Special Supervision Against the Illegal Collection and Use of Personal Information by Apps (《關於開展APP違法違規收集使用個人信息專項治理的公告》) jointly promulgated and implemented by the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security and the SAMR on January 23, 2019, reiterates that App operators should collect and use personal information in strict compliance with the responsibilities and obligations under the Cybersecurity Law of the PRC, collect and use personal information in accordance with the law, and encourages application operators to conduct security certifications, search engines and application stores to clearly mark and recommend certified applications. In addition, the Methods of Identifying Illegal Acts of Apps to Collect and Use Personal Information (《APP違法違規收集使用個人信息行為認定辦法》) jointly promulgated and implemented by the CAC, the MIIT, the Ministry of Public Security and the SAMR on November 28, 2019 clarifies specific circumstances of illegal collection of information, including "failing to publish the rules on the collection and use of personal information", "failing to explicitly explain the purposes, methods and scope of the collection and use of personal information", "collecting and using personal information without the users' consent", "collecting personal information unrelated to the services it provides and beyond necessary principle", "providing personal information to others without the users' consent", and "failing to provide the function of deleting or correcting the personal information according to the laws" or "failing to publish information such as ways of filing complaints and reports".

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) adopted by the National People's Congress on May 28, 2020 and implemented on January 1, 2021, the personal information of natural persons is protected by law. Any organization or individual must legally obtain the relevant personal information of others and must ensure the security of the relevant information, and must not illegally collect, use, process or disseminate the personal information of others, nor illegally trade, provide or disclose the personal information of others.

According to the Several Provisions on Administration of Automobile Data Security (For Trial Implementation) (《汽車數據安全管理若干規定(試行)》) jointly promulgated by the CAC, the NDRC, the MIIT, the Ministry of Public Security and the Ministry of Transport on August 16, 2021 and implemented from October 1, 2021, automobile data processors (including automobile manufacturers, components and parts and software suppliers, dealers, maintenance organizations, and ride-hailing and sharing service enterprises) shall process automobile data (including personal information data and important data during the design, production, sales, use, operation and maintenance of vehicles) in a lawful, legitimate, specific and clear manner. When processing personal information, automobile data processors shall obtain personal consent or comply with other circumstances stipulated by laws and administrative regulations. If the automobile data processors collect data of subjects outside the vehicle for the purpose of ensuring driving safety, but are unable to obtain consent from such subjects, the automobile data

processors shall anonymize the data by means such as deleting the pictures containing identifiable natural persons, or partially contouring the facial information in the pictures.

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) adopted by the SCNPC on August 20, 2021 and implemented from November 1, 2021, the personal information of natural persons shall be protected by law. No organization or individual may infringe upon natural persons' rights and interests relating to personal information. The Personal Information Protection Law of the PRC integrates previously scattered rules on personal information rights and privacy protection, and initially establishes a personal information protection system. The Law clarifies 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, directly related to the processing purpose and in a manner that has the minimum impact on the rights and interests of individuals, and limited to the minimum scope necessary for achieving the processing purpose. It shall be processed under the principle of openness, and the quality of information shall be guaranteed and measures shall be taken to protect personal information from divulging, tampering or lose. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (1) the individual's consent has been obtained; (2) the processing is necessary for the conclusion or performance of a contract to which the individual is a party concerned; (3) the processing is necessary to fulfill statutory duties and statutory obligations; (4) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (5) the personal information that has legally been made public by the relevant individual or otherwise is processed within a reasonable scope; (6) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (7) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. The Personal Information Protection Law provides that a personal information processor could process publicly disclosed information within the reasonable scope in accordance therewith on the basis of the six circumstances already specified thereunder. No organization or individual may illegally collect, use, process or transmit personal information, illegally buy or sell, provide or make personal information public, or engage in the processing of personal information that endangers the national security or public interests. The Personal Information Protection Law clarifies the definition of "sensitive personal information", which means personal information that, once leaked or illegally used, may give rise to discrimination against individuals or seriously endanger personal or property security, including information on biometrics, religious beliefs, specific identifications, medical health, financial accounts, and personal whereabouts, among others. To process sensitive personal information, a personal information processor shall obtain the individual consent from the individual. Where any law or administrative regulation provides that written consent shall be obtained for processing sensitive personal information, such provision shall prevail. However, there remain uncertainties regarding the meaning of "individual consent" and whether individual consent is required if the processing is based on legal bases other than individual's consent.

The Amendment (IX) to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》) promulgated by the SCNPC on August 29, 2015 and implemented on November 1, 2015, network service providers who violate the information network security management obligations stipulated by relevant laws and refuse to make rectification after being ordered shall be subject to criminal penalties. In addition, the Notice of the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security on Lawfully 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 in 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》) issued on May 8, 2017 and effective on June 1, 2017 clearly stipulate the conviction and sentencing standards for crimes related to infringement of personal information.

(X) REGULATIONS RELATING TO RESTRICTION IN VALUE-ADDED TELECOMMUNICATIONS SERVICES

According to the PRC Telecommunications Regulations (《中華人民共和國電信條例》) and the Catalog of Telecommunications Services (《電信業務分類目錄》) promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, the state establishes a licensing system for telecommunications services according to the different categories of the services. Telecommunications services are divided into two categories: basic telecommunications services and value-added telecommunications services. Basic value-added telecommunications business refers to the provision of public network infrastructure, public data transmission and basic voice communication, while value-added telecommunications business refers to the provision of telecommunications and information services by utilizing the public network infrastructure. Anyone that intends to be engaged in basic telecommunications business shall be approved by competent authorities and obtain a Basic Telecommunications Business Operating Permit (《基礎電信業務經營許可證》). Anyone that intends to be engaged in value-added telecommunications business shall be approved by competent authorities and obtain a Value-added Telecommunications Business Operating Permit (《增值電信業務經營許可證》). An operator who failed in obtaining relevant operating permits will face correction orders, warnings, fines, confiscation of illegal gains, and in case of severe circumstances, be ordered to suspend business for rectification.

According to the Catalog of Telecommunications Services (2015) (《電信業務分類目錄(2015)》) promulgated by the MIIT on December 28, 2015 and last amended and implemented on June 6, 2019, value-added telecommunications services are divided into two categories. The first category of value-added telecommunications services includes "internet data center services, content distribution network services, domestic Internet virtual private network services and Internet access services." The second category of value-added telecommunications services includes "online data processing and transaction processing services, domestic multi-party communications services, storage and forwarding services, call center services, information services, coding and regulation conversion services."

According to the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and last amended and effective on January 8, 2011, internet information services refer to the provision of information through internet to web users. Internet information service is divided into two categories: non-commercial internet information service and commercial internet information services. A commercial internet information service provider shall obtain an Operating License for Value-added Telecommunications Business from relevant telecommunications administrative agencies. According to the Administrative Measures for Telecommunication Business Operating Permits (《電信業務經營許可管理辦法》) promulgated by the MIIT on March 1, 2009, last amended on July 3, 2017 and effective from September 1, 2017, the provincial administrations of telecommunications are in charge of the review and approval of operating permits. For a value-added telecommunications operating permit, it shall be valid for five years and can be renewed by submitting a renewal application within 90 days before its expiration.

According to the Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) promulgated by the CAC on June 28, 2016 and effective from August 1, 2016, the CAC is in charge of the law enforcement of supervision and administration of the information contents of mobile internet apps nationwide; providers rendering permitted internet information services via mobile internet applications shall also be subject to information security requirements; and mobile internet application providers shall sign a service agreement to clarify the rights and obligations of both parties.

Under the 2021 Negative List, the provision of value-added telecommunications services falls into the restricted category (except for e-commerce, domestic multi-party communications, and store-and-forward and call center services) and the foreign shareholding ratio shall not exceed 50%.

The Company offers online services to registered APP users, including ordering vehicles, charging pile navigation, vehicle remote control, user community and Leapmotor mall, which constitute "online extension of the services" relating to the Group's offline automobile sale and use, in addition to its own product sale and free interactive information sharing. The Company generates revenue through automobile sales, use of related services and sale of other products, rather than offering of commercial internet information through its Leapmotor APP. Therefore, as advised by our PRC Legal Advisor, the online services offered on its APP are not operational internet information services within the meaning of Measures for the Administration of Internet Information Services.

(XI) REGULATION RELATING TO ENVIRONMENTAL PROTECTION AND WORK SAFETY

1. Environmental Protection

Pursuant to the PRC Environmental Protection Law (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and implemented from January 1, 2015, any enterprises, public institutions and other producers and operators which discharges pollutants must take measures to prevent and control waste gas, waste water, waste residue, medical waste, dust, malodorous gases, radioactive substances, as well as noise, vibrations, light

radiation, electromagnetic radiation, and other environmental pollutions and hazards produced during the course of production, construction or other activities. China implements the pollutants discharge permit administration system in accordance with the provisions of the law, and enterprises, public institutions and other producers and operators subject to pollutants discharge permit administration shall discharge pollutants in accordance with the requirements of the pollutants discharge permit; no pollutants can be discharged without a pollutants discharge permit.

In accordance with the Administrative Regulations on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, last amended on July 16, 2017 and implemented from October 1, 2017, the PRC practices a system that evaluates the environmental impact of a construction project. A construction unit should submit an environmental impact report or environmental impact statement before the commencement of the construction project for approval or submit the environmental impact registration form in accordance with the requirement of environmental protection administrative department of the State Council for record. Besides, after the completion of the construction project as prepared in the environmental impact report and the environmental impact statement, the construction unit should inspect and accept the environmental protection facilities for a project and prepare an acceptance report in compliance with the standards and procedures stipulated by the environmental protection administrative department. For construction projects which are built in phases, put into production or use in phases, its corresponding environmental protection facilities shall be inspected and accepted in phases.

In accordance with the Administrative Measures for Pollutant Discharge Licensing (For Trial Implementation) (《排污許可管理辦法(試行)》) promulgated by the Ministry of Environmental Protection (later known as Ministry of Ecology and Environment) on January 10, 2018, last amended on August 22, 2019 and implemented on the same date, enterprises, public institutions and other producers and operators that are included in the category-based administration catalogue of pollutant discharge licensing for stationary pollution sources shall apply for and obtain a pollutant discharge permit within the prescribed time limit. Pollutant discharging units not included in the above catalogue currently do not need to apply for a pollutant discharge license.

In accordance with the Regulation on the Administration of Pollutants Discharge Permits (《排污許可管理條例》) promulgated on January 24, 2021 by the State Council and implemented on March 1, 2021, enterprise, public institution and other producers and operators subject to the administration of pollutant discharge permit shall apply for a pollutant discharge permit under the provisions of this Regulation; and may not discharge pollutant without obtaining a pollutant discharge permit.

2. Work Safety

Vehicle and component manufacturers shall comply with relevant regulations related to environmental protection and work safety. In accordance with the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002 by the SCNPC, last amended on June 10, 2021 and implemented from September 1, 2021, a production and operation unit must develop a well-established work safety responsibility system and work safety rules and systems for all employees, meet the conditions for safe production as stipulated by laws and regulations, national standards or industry standards, and those who do not have such production conditions shall not engage in production and operation activities. The production and operation unit shall conduct safety production education and training for employees to ensure that they are equipped with necessary safety production knowledge and are familiar with relevant safety production rules and regulations and safety operation procedures.

3. Fire Safety Inspection and Acceptance

Pursuant to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC in April 1998 and last amended and implemented on April 29, 2021, and the Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Project (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and implemented from June 1, 2020, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and final inspection system. The production workshops of labor-intensive enterprises with a total construction area of more than 2,500 square meters and the construction units of other special construction projects must apply to the fire control department for fire protection design review, and complete the fire protection acceptance procedures after the completion of the construction project. The construction unit of other construction projects must complete the fire protection filing of the fire protection design and the completion acceptance within five working days after the completion acceptance of the construction project. If a construction project fails to pass the fire safety inspection before it is put into use, or does not meet the fire safety requirements after the inspection, it will be ordered to suspend the construction and use of such project, or suspend production and business, and be imposed a fine.

(XII) REGULATIONS RELATING TO LAND AND CONSTRUCTION PROJECTS

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land (《城鎮國有土地使用權出讓和轉讓暫行條例》) promulgated by the State Council on May 19, 1990, last amended on November 29, 2020 and implemented from the same date, China adopts a system of assignment and transfer of the right to use state-owned land. The assignment of land use rights may be carried out by agreement, bidding or auction. The land user shall pay the premium of the land use right

to the State, and the State may assign such right to the user for an agreed term. The land user who has obtained the land use right may, within the term of land use, transfer, lease or mortgage the land use right or use it for other economic activities.

Pursuant to the regulations abovementioned and the PRC Urban Real Estate Administration Law (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019 and implemented from January 1, 2020, an assignment contract shall be signed between the regional land administration authority and land users for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate to acquire the land use rights. The land user shall develop, utilize and operate the land in accordance with the provisions of the assignment contract and the requirements of urban planning.

Pursuant to the Regulations on Planning Administration Regarding Assignment and Transfer of the Rights to Use of the State-Owned Land in Urban Area (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Construction on December 4, 1992, amended on January 26, 2011 and implemented from the same date, the land assignee shall obtain a construction land planning permit from the municipal planning authority. Pursuant to the Urban and Rural Planning Law (《城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and last amended on April 23, 2019, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline, or other engineering project within an urban or rural planning area.

Pursuant to the Administrative Provisions on Construction Permit of Construction Projects (《建築工程施工許可管理辦法》) issued by the Ministry of Construction (the predecessor of the Ministry of Housing and Urban-Rural Development) on October 15, 1999, last amended on March 30, 2021 and implemented on the same date, for the construction, renovation and decoration of all kinds of buildings within the territory of China and the auxiliary facilities thereof, the installation of supporting lines, pipes and equipment, and the construction of municipal infrastructure projects in cities and towns, the construction unit shall, before starting construction, apply to the housing and urban-rural development administrative department of the people's government at or above the county level where the project is located for a construction permit in accordance with the Provisions. For a construction project whose investment is less than RMB300,000 or whose construction area is less than 300 square meters, the construction unit may be allowed not to apply for a construction permit.

According to the Provisions on Acceptance Examination upon Completion of Buildings and Municipal Infrastructure (《房屋建築和市政基礎設施工程竣工驗收規定》) promulgated by the Ministry of Housing and Urban-Rural Development on December 2, 2013 and implemented on the same date, construction units of all types of buildings and municipal infrastructure projects that are newly built, expanded, or rebuilt within the territory of China shall file with the competent construction authority of the local people's government at or above the county level where the project is located within 15 days from the date when the project is completed and accepted.

(XIII) REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

1. Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) issued by the SCNPC on March 12, 1984, last amended on October 17, 2020 and implemented on June 1, 2021, China National Intellectual Property Administration shall be responsible for administration of the patent work across the country and the administrative departments for patent work under the people's governments at the provincial level shall be responsible for the administration of patent work within their respective administrative areas. Any invention or utility model for which a patent right may be granted must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, nuclear transformation method or substances obtained by means of nuclear transformation. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for design. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, otherwise it will constitute an infringement of the rights of the patent owner.

2. Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) issued by the SCNPC on September 7, 1990, last amended on November 11, 2020 and implemented on June 1, 2021, copyrights include personal rights such as the right of publication and that of attribution, as well as property rights such as the right of production and that of distribution. Copyright protection extends to internet activities, products and software products transmitted through the internet. Reproducing, distributing, performing, projecting, broadcasting, compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided under the Copyright Law of the PRC, shall constitute infringements of copyrights. The infringer shall undertake to cease the infringement, eliminate the influence, offer an apology and pay for damages.

According to the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) issued by the National Copyright Administration of the PRC on February 20, 2002 and implemented on the same date, registration of software copyright and registration of exclusive licensing contract and transfer contract of software copyright shall be standardized. The National Copyright Administration is in charge of the administration of software copyright registration throughout the country and recognizes the Copyright Protection Center of China as software registration organization. The Copyright Protection Center of China will grant registration certificates to applicants of computer software that comply with

the provisions of the Software Copyright Registration Procedures (《軟件著作權登記辦法》) and the Regulations for the Protection of Computer Software (《計算器軟件保護條例》) (amended in 2013).

3. Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and implemented on November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended and implemented on April 29, 2014, registered trademarks in China include commodity trademarks, service trademarks, collective marks, and certification marks.

The Trademark Office of China National Intellectual Property Administration is responsible for trademark registration and administration in China. The period of validity of a registered trademark shall be ten years. If a registrant needs to continue to use the registered trademark after the period of validity, an application for renewal of registration shall be made every ten years. Application for renewal of registration shall be submitted within 12 months prior to the expiry date. The registrant of registered trademark may license the other party to use its registered trademark by entering into trademark license agreement. The trademark license agreement shall be filed at the Trademark Office for record. The licensor shall supervise the quality of the goods for which the trademark is used and the licensee shall assure the quality of relevant goods. A principle of first come, first file is adopted in the registration of trademark in China. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Applying for registration of a trademark shall not prejudice the existing right first obtained by others, nor could any person register in advance a trademark that has already been used by another party and has already gained a sufficient degree of reputation through such party's use. Using a trademark identical or similar to the registered trademark on the same or similar commodities without the permission of the trademark registrant constitutes an infringement on the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial measures and compensate for losses.

4. Domain Names

In accordance with the Administrative Measures on Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and implemented from November 1, 2017 to replace the Administrative Measures of China on Domain Names (《中國互聯網絡域名管理辦法》) issued in November 2004, the MIIT supervises and administrates the domain name service nationwide. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

(XIV) REGULATIONS RELATING TO FOREIGN EXCHANGE AND OVERSEAS INVESTMENT

Pursuant to the Regulations on the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended and implemented on August 5, 2008, RMB can be converted into other currencies for current accounts such as trade-related income and expenses and payments of interest and dividends. While for capital items such as direct equity investment, loan and divestment, the conversion of RMB into other currencies and the remittance of the converted foreign currencies outside China shall be subject to prior approval of the SAFE or its local branches.

The Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) ("**Circular 59**"), which was promulgated by SAFE on November 19, 2012 and last amended on October 10, 2018, part of which was abolished on December 30, 2019, substantially amends and simplifies the foreign exchange procedure. Pursuant to Circular 59, the opening of various special purpose of foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and deposits accounts, the reinvestment of RMB proceeds derived by foreign investors within the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces. In February 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), part of which was abolished in December 2019. It stipulates that banks shall, on behalf of SAFE, directly examine and handle foreign exchange registration under domestic direct investment and overseas direct investment, and SAFE and its branches shall exercise indirect supervision over foreign exchange registration of direct investment through banks.

On May 11, 2013, SAFE promulgated the Provisions on Foreign Exchange Administration over Domestic Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) ("**Circular 21**"), which was effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. Circular 21 stipulates that SAFE and its branches shall manage foreign investors' indirect investment within the PRC through registration, and banks shall handle the foreign exchange business of direct investment within the PRC according to the registration information provided by SAFE or its branches.

Pursuant to the Notice on Issues Concerning the Administration of Foreign Exchange in Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by SAFE on December 26, 2014 and implemented on the same date, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment. The proceeds from an overseas listing of a domestic company may be

remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the relevant content included under the document and other disclosure documents.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) ("**Circular 19**"), which was promulgated on March 30, 2015, implemented on June 1, 2015 and partially abolished on December 30, 2019, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis based on the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited from using the foreign exchange capital settled in RMB (1) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (2) for direct or indirect securities investment; (3) to provide entrusted loans (unless permitted in the business scope), repay inter-company loans (including advances to third parties) or repay RMB bank loans that have been on-lent to a third party; and (4) to purchase real estate not for self-use purposes (save for real estate enterprises). On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) ("**Circular 16**"), which came into effect on the same date. Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). However, there remain substantial uncertainties with respect to Circular 16's interpretation and implementation in practice.

On January 26, 2017, SAFE issued and implemented on the same date the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Management Reform (《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》) ("**Circular 3**"), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (1) banks shall review board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements to check if the transaction is genuine; (2) domestic entities shall make up for previous years' losses before remitting the profits. In addition, pursuant to Circular 3, domestic entities shall make detailed explanations to the bank in respect of the sources of the capital and its utilization arrangements, and provide board resolutions, contracts and other supporting materials when undergoing the registration procedures in connection with an outbound investment.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) which became effective on the same date (except for Rule 2 of Article 8, which became effective on January 1, 2020). The Notice cancels restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange

settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenue under capital accounts, such as capital funds, foreign debt offering proceeds and remitted foreign listing proceeds for domestic payments without providing supporting materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current administrative regulations for use of revenue from capital accounts.

(XV) REGULATIONS RELATING TO TAX

1. Enterprise Income Tax (EIT)

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was promulgated by the SCNPC on March 16, 2007, last amended on December 29, 2018 and implemented on the same date, a domestic enterprise established within the PRC in accordance with the law shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% on its income generated within the PRC. A preferential EIT shall be applicable to key industries or projects supported or encouraged by the State.

The Enterprise Income Tax Law allows qualified high-tech enterprises to enjoy an EIT rate of 15% after reduction. In addition, relevant laws and regulations on EIT also stipulate that enterprises identified as high-tech enterprises shall be exempted from EIT for two years from the first profit-making year, and the EIT shall be halved at the normal tax rate for the following three calendar years. Enterprises qualified as high-tech enterprises can enjoy a preferential EIT rate of 10%.

2. Business Tax and Value-added Tax (VAT)

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993, last amended on November 19, 2017 and implemented from the same date, and the Detailed Implementing Rules of the Provisional Regulation of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF and SAT on December 25, 1993, last amended on October 28, 2011 and implemented on November 1, 2011, entities or individuals that engage in the sale of goods, the provision of processing, repair and replacement services or importation of goods within the territory of the PRC are subject to VAT.

Unless otherwise specified, the VAT rate for sale of goods shall be 17% and the VAT rate for service shall be 6%. Pursuant to the Notice of Ministry of Finance and the State Administration of Taxation on Adjustment of Value-Added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) jointly promulgated by the MOF and SAT on April 4, 2018 and implemented from May 1, 2018, (1) for VAT taxable sales acts or importation of goods originally subject to value-added tax rates of 17% and 11%, respectively, such tax rates shall be adjusted to 16% and 10%, respectively; (2) for purchase of agricultural products originally subject to rate of 11%, such rate shall be adjusted to 10%; (3) for purchase of agricultural products for the purpose of

production and sales or consigned processing of goods subject to tax rate of 16%, such tax shall be calculated at the rate of 12%; (4) for exported goods originally subject to tax rate of 17% and export tax refund rate of 17%, the export tax refund rate shall be adjusted to 16%; and (5) for exported goods and cross-border taxable acts originally subject to tax rate of 11% and export tax refund rate of 11%, the export tax refund rate shall be adjusted to 10%.

Since November 16, 2011, the MOF and the SAT have implemented the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax (《營業税改徵增值税試點方案》), which impose VAT in lieu of business tax for certain modern service industries in certain regions and eventually expanded to nation-wide application in 2013. According to the Implementation Measures of the Pilot Plan for Imposition of VAT to Replace Business Tax (《營業税改徵增值税試點實施辦法》) promulgated by the MOF and the SAT in respect of the VAT Pilot Program, the modern service industries include research, development and technology services, information technology services, cultural innovation services, logistics support, lease of corporeal properties, attestation and consulting services. In accordance with the Notice of Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《關於做好全面推行營改增試點工作的通知》) promulgated by the State Council on April 29, 2016, replacing business tax with value-added tax shall be implemented in all regions and industries.

The Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》), which was jointly promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, stipulates that: (1) the VAT rates of 16% and 10% originally applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively; (2) the VAT rates of 10% originally applicable to the taxpayers who purchased agricultural products are adjusted to 9%; (3) for purchase of agricultural products for the purpose of production or consigned processing of goods subject to tax rate of 13%, such tax shall be calculated at the rate of 10%; (4) for exported goods originally subject to tax rate of 16% and export tax refund rate of 16%, the export tax refund rate shall be adjusted to 13%; and (5) for exported goods and cross-border taxable acts originally subject to tax rate of 10% and export tax refund rate of 10%, the export tax refund rate shall be adjusted to 9%.

(XVI) REGULATIONS RELATING TO LABOR AND EMPLOYMENT

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, last amended on December 29, 2018 and effective on the same date, employers must ensure the safety and hygiene of the workplace in accordance with national laws and regulations, provide relevant training to their employees to prevent accidents during work and reduce occupational hazards.

Pursuant to Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and implemented from July 1, 2013, employers must execute written labor contracts with each employee. The employer shall not force its employees to work overtime, and when the employer arranges for overtime, it must pay employees overtime fees. The salary of each employee shall not be lower than the local minimum wage standard.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, last amended on December 29, 2018 and implemented on the same date, and other relevant regulations, employees should participate in five types of social insurance covering pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. Maternity insurance premiums and work-related injury insurance premiums are paid by the employer, and pension insurance premiums, medical insurance premiums and unemployment insurance premiums are paid by the employer and employees jointly.

Pursuant to the Regulations on the Administration of Housing Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, last amended on March 24, 2019 and implemented on the same date, employers shall register with the main housing accumulation fund management center and pay housing accumulation fund for its employees. If the employer fails to pay the housing fund, it can be ordered to pay within a certain period of time, and if it still fails to pay, it can be applied to the court for compulsory enforcement.

(XVII) REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

The Company Law of the PRC (《中華人民共和國公司法》) and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) are the main laws and regulations regulating the dividend distribution of foreign-invested enterprises in PRC. According to the regulatory mechanism provided by the above-mentioned laws, a foreign-invested enterprise in PRC may only pay dividends out of accumulated profits (if any) determined in accordance with PRC accounting standards and regulations. The PRC companies (including foreign-invested enterprises) are required to draw at least 10% of their after-tax profits into the statutory reserve fund until the relevant reserve fund reaches 50% of their registered capital, except as otherwise provided by the laws on foreign investment; and no profit shall be distributed before making up any loss in the previous fiscal year. Retained profits for previous fiscal years may be distributed together with distributable profits for the current fiscal year.

(XVIII) REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

1. Anti-monopoly

Pursuant to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) promulgated by the SCNPC on August 30, 2007 and implemented from August 1, 2008, and the Anti-Monopoly Law of the PRC (2022 revision) (《中華人民共和國反壟斷法(2022修正)》) considered and passed by the SCNPC on June 24, 2022 and

implemented from August 1, 2022, prohibited monopolistic conducts include monopoly agreements, abuse of dominant market position and concentration of business operators that may have the effect of eliminating or restricting competition.

Monopoly Agreement

Competing operators shall not enter into monopoly agreements that exclude or restrict the effect of competition, such as boycotting transactions, fixing or altering commodity prices, restricting commodity production, or fixing commodity prices for resales to third parties, unless the agreement satisfies the exemption conditions stipulated in the Anti-Monopoly Law of the PRC (2022 revision) (《中華人民共和國反壟斷法(2022修正)》), for example, where the operators can prove that they do not have the effect of excluding or restricting competition, or where the operators can prove that their shares in relevant market is lower than the standards set by the anti-monopoly law enforcement agency of the State Council and meets other conditions stipulated by it, or improving technology, enhancing the competitiveness of small and medium-sized operators, and maintaining legitimate rights and interests in cross-border economic and trade cooperation. Meanwhile, the operators shall not enter into monopoly agreements with other operators or provide substantial support to other operators to reach monopoly agreements. If the regulations are violated, the punishments include orders to cease the relevant acts, confiscation of illegal income, and a penalty of not less than 1% but not more than 10% of the sales volume in the previous year; if there is no sales volume in the previous year, a penalty of not more than RMB5,000,000 shall be imposed. Where the monopoly agreement reached has not been implemented, a penalty of less than RMB3,000,000 would be imposed. If relevant violation is critically serious, causing adverse impact and severe consequences, the anti-monopoly law enforcement agency of the State Council may determine the specific amount of penalty not less than two times but not more than five times the amount of the aforementioned fine.

The Interim Provisions on the Prohibition of Monopoly Agreements (《禁止壟斷協議暫行規定》) promulgated by the SAMR on June 26, 2019 and implemented on September 1, 2019, and last amended on March 24, 2022 and implemented on May 1, 2022, further provided for the prevention and prohibition of monopoly agreement-related matters, and replaced some of anti-trust rules and regulations previously issued by the State Administration for Industry and Commerce.

Abuse of Dominant Market Position

A business operator with a dominant market position shall not abuse its dominant market position, such as selling commodities at an unfairly high price or purchasing commodities at an unfairly low price, selling commodities at prices below cost without justifiable reasons and rejecting to trade with trading counterparts. In case of violation of the prohibition on abuse of dominant market position, the punishments include orders to cease relevant acts, confiscation of illegal gains, and a penalty of not less than 1% but not more than 10% of the sales volume in the previous year. If relevant violation is critically serious, causing

adverse impact and severe consequences, the anti-monopoly law enforcement agency of the State Council may determine the specific amount of penalty not less than two times but not more than five times the amount of the aforementioned fine.

The Interim Provisions on Prohibition of Abuse of Dominant Market Position (《禁止濫用市場支配地位行為暫行規定》) promulgated by the SAMR on June 26, 2019 and implemented on September 1, 2019, and last amended on March 24, 2022 and implemented on May 1, 2022, further prevented and curbed abuse of market dominance.

Concentration of Business Operators

Operators shall declare the concentration reaching the threshold of declaration prescribed by the State Council to the anti-monopoly law enforcement agency before conducting concentration. Concentration of business operators refers to the following circumstances: (1) merger of business operators; (2) a business operator acquires control over other business operators by acquiring their equities or assets; or (3) a business operator acquires control over other business operators or is able to exert a decisive influence on other business operators by contract or any other means. Where a business operator fails to comply with the mandatory reporting requirements, and has or may have the effect of excluding or restricting competition, the anti-monopoly law enforcement agency of the State Council has the power to order to cease the implementation of the concentration, dispose of shares or assets and transfer the business within a time limit, and take other necessary measures to restore the state before the concentration, and impose a penalty of not more than 10% of the sales volume in the previous year; if the operators fail to conduct concentration according to regulations and do not have the effect of excluding or restricting competition, a penalty of RMB5,000,000 would be imposed. If relevant violation is critically serious, causing adverse impact and severe consequences, the anti-monopoly law enforcement agency of the State Council may determine the specific amount of penalty not less than two times but not more than five times the amount of the aforementioned fine.

The Interim Provisions on the Review of Business Operator Concentration (《經營者集中審查暫行規定》) promulgated by the SAMR on October 23, 2020 and implemented on December 1, 2020, and last amended on March 24, 2022 and implemented on May 1, 2022, further provided for matters such as the declaration and review of the concentration of business operators and the investigation of the illegal implementation of the concentration of business operators.

2. Anti-Unfair Competition

Pursuant to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, last amended on April 23, 2019 and implemented on the same date, operators are not allowed to use improper means to engage in market transactions and harm competitors, including but not limited to: the use of power or influence to influence transactions, market confusion, commercial bribery, misleading false propaganda, infringement of trade secrets, low-price sales, unfair prize-winning sales, and commercial slander. Any

operator who violates the Anti-Unfair Competition Law of the PRC by engaging in the aforementioned unfair competition activities will be ordered to suspend the relevant illegal activities, eliminate the impact of such activities, or be liable for damages caused to any party. Relevant supervision and inspection departments may also confiscate illegal gains or impose fines on the relevant operators.

(XIX) ON OVERSEAS LISTING AND STRICT CRACKDOWN ON ILLEGAL SECURITIES ACTIVITIES

Pursuant to the Opinions on Strictly Cracking Down on 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》) jointly promulgated and implemented by the General Office of the CPC Central Committee and the General Office of the State Council on July 6, 2021, it is required to strengthen the supervision of China concept stock companies and revise the special regulations on the overseas offering of shares of these companies, clarify the responsibilities of domestic industry supervisors and regulatory authorities.

On December 24, 2021, the China Securities Regulatory Commission ("**CSRC**") issued the Notice for Public Comments on the "Administrative Provisions of the State Council on Overseas Issuance of Securities and Listing of Domestic Enterprises (Draft for Comments)" (《關於就〈國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)〉公開徵求意見的通知》) (the "**Administrative Provisions (Draft for Comments)**"), which implement unified filing management for direct and indirect overseas issuance and listing of securities by domestic enterprises, and the issuer shall perform filing procedures and report relevant information to the securities regulatory authority under the State Council. It is also stipulated that in the following circumstances, domestic enterprises shall not be listed overseas: (1) it is clearly prohibited from listing for financing by national laws and regulations and relevant provisions; (2) overseas issuance or listing will threaten or jeopardize national security as reviewed and determined by the relevant competent authorities of the State Council in accordance with the law; (3) there exist major disputes over the ownership of equity, major assets, core technology and other aspects; (4) the domestic enterprises and their controlling shareholders, de facto controllers have committed corruption, bribery, misappropriation of property, misappropriation of property or criminal offences that disrupted the socialist market economic order within the last three years, or are being investigated by judicial authorities because of suspected crime, or being investigated for material violations or incompliance with laws and regulations; (5) Directors, Supervisors and senior management have been subject to administrative punishment with serious circumstances within the last three years, or are being investigated by judicial authorities because of suspected crime, or being investigated for material violations or incompliance with laws and regulations; (6) other circumstances determined by the State Council. As of the Latest Practicable Date, the Provisions have not been formally adopted.

On December 24, 2021, the CSRC issued the Notice for Public Comments on the "Administrative Measures for the Filing of Overseas Issuance of Securities and Listing of Domestic Enterprises (Draft for Comments)" (《關於就〈境內企業境外發行證券和上市備案管理辦法(徵求意見稿)〉公開徵求意見的通知》) (the "**Filing Measures (Draft for Comments)**"), pursuant to which, the issuer shall perform the filing procedures and

report the relevant information of the direct overseas issuance and listing of domestic enterprises; or the issuer shall designate a major domestic operating entity to perform the filing procedures and report the relevant information of the indirectly overseas listing issuance and listing of domestic enterprises. A domestic company is deemed to be indirectly listed overseas if the issuer meets the following conditions: (I) the operating revenue, total profit, total assets or net assets of the domestic company for the last accounting year account for more than 50% of the relevant data in the issuer's audited combined financial statements for the same period; (II) the majority of senior management responsible for business operations and management are Chinese citizens or their frequent residences are located domestically, and the major premises of business operations are located or mainly operated domestically. The issuer shall submit the filing materials to CSRC within three working days after the overseas submission of the application documents for [**REDACTED**]. As of the Latest Practicable Date, the Provisions have not been formally adopted.

On April 2, 2022, the CSRC issued the Provisions on Strengthening the Confidentiality and File Management Work Related to the Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) (《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(徵求意見稿)》), which specifies that during the overseas issuance of securities and listing activities of domestic enterprises, domestic enterprises and securities companies and securities service institutions that provide relevant securities services shall, by strictly abiding by the relevant laws and regulations of the People's Republic of China and the requirements therein, establish sound confidentiality and file work systems, take necessary measures to implement confidentiality and file management responsibilities, and shall not leak national secrets and undermine national and public interests. Files such as the work manuscripts generated in the PRC by securities companies and securities service institutions that provide relevant securities services for overseas issuance and listing of securities by domestic enterprises shall be kept in the PRC. Without the approval of relevant competent authorities, it shall not be transferred overseas by any means such as carrying or shipping or transferred to overseas institutions or individuals by any means such as information technology. Where files or copies thereof with significant preservation value to the state and society need to be transferred outside of the PRC, it shall be subject to the approval procedures in accordance with relevant PRC regulations. As of the Latest Practicable Date, this provision has not been officially promulgated.

(XX) H SHARE FULL CIRCULATION

Full circulation means listing and circulation on the Stock Exchange of the domestic unlisted shares (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) of H-share companies. On November 14, 2019, CSRC announced the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請全流通業務指引》), allowing certain qualified H-share companies and H-share companies intended for listing to apply to the CSRC for full circulation.

According to the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H-share Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To file an application for full circulation, an H-share company shall file the application with the CSRC according to the administrative licensing procedures necessary for the "examination and approval of public issuance and listing (including additional issuance) of shares overseas by a joint stock company". After the application for full circulation has been approved by the CSRC, an H-share company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC of the shares related to the application has been completed.

In order to fully promote the reform of H-shares full circulation and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, China Securities Depository and Clearing Co., Ltd. has promulgated the Circular on Issuing the Guide to the Program for Full Circulation of H-shares (《關於發佈〈H股全流通業務指南〉的通知》) in February 2020, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. In February 2020, CSDC (Hong Kong) promulgated the Guide to the Program for Full Circulation of H-shares (《中國證券登記結算(香港)有限公司H股全流通業務指南》) to specify the relevant escrow, custody, agent service of CSDC (Hong Kong), arrangement for settlement and delivery and other relevant matters.

According to the Administrative Provisions (Draft for Comments) and the Filing Measures (Draft for Comments), for a domestic company directly listed overseas, shareholders holding its unlisted domestic shares may convert such shares held by them into listed overseas shares in accordance with the laws and go for listing circulation in the overseas stock exchange after fulfilling the filing procedures with the securities regulatory authority of the State Council. As of the Latest Practicable Date, the Administrative Provisions (Draft for Comments) and the Filing Measures (Draft for Comments) are in the process of collecting views and has not yet come into effect.