Our business operations are subject to extensive supervision and regulation from the PRC government. This section sets out a summary of the main laws and regulations applicable to our business in PRC.

REGULATIONS RELATING TO CORPORATION AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on December 29, 1993 and came into effect on July 1, 1994, and last amended on October 26, 2018. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign-invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. The FIL does not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations of the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. On December 30, 2019, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises, including establishment through purchasing the equities of a domestic enterprise or subscribing the increased capital of a domestic enterprise, and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**"), which were promulgated by the National Development and Reform Commission of the PRC (the "**NDRC**") and MOFCOM on December 27, 2021 and became effective on January 1, 2022, and the Catalog of Industries for Encouraging Foreign Investment (2020 Version) (《鼓勵外商投資產業目錄(2020年版)》) (the "**Encouraging Catalog**"), which was promulgated by the NDRC and MOFCOM on December 27, 2020 and became effective on January 27, 2021, replaced previous negative list and encouraging catalog and listed the categories of encouraged, restricted, and prohibited industries.

According to Article 6 of the Negative List, for domestic enterprises engaged in business sectors prohibited from foreign investment under the Negative List, (i) the overseas offering, listing and trading of their shares shall be subject to the review and approval of the relevant competent authorities; and (ii) foreign investors shall not participate in the operation and management of these enterprises, and their shareholding ratio shall be implemented with reference to the relevant provisions on the administration of domestic securities investment of foreign investors. Pursuant to the Reply to Reporters' Questions by the NDRC Responsible Officers of the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) (國家發展改革委有關負責人就2021年版外商投資准入負面清單答記者問) announced on December 27, 2021, the aforementioned review and approval of the relevant competent authorities refers to the review and approval on whether the overseas listing of domestic enterprises falls within the scope of prohibitive provisions of the Negative List, rather than that on the activities of overseas listing of domestic enterprises. Pursuant to the further explanation provided by the Policy Research Office of the NDRC at the press conference held by NDRC on January 18, 2022, "the scope of application of Article 6 of the Negative List is limited to the direct listing of domestic enterprises engaged in businesses in areas prohibited from investment in the Negative List. Regarding the indirect overseas listing of domestic enterprises, the CSRC is publicly soliciting opinions on the relevant provisions. After the relevant procedures are completed and relevant documents are officially published, the relevant provisions will be implemented by the competent authorities accordingly".

Given that (i) our business, the provisions of data transmission and processing services for IoT applications and telecommunication equipment and other services including provision of telecommunication equipment maintenance and telecommunication consulting services, was not included in the Negative list, and thus none of our license is subject to foreign investment restrictions under Negative List; (ii) based on the explanation of NDRC as above-mentioned, the scope of application of Article 6 of the Negative List is limited to the direct listing of domestic enterprises engaged in businesses in areas prohibited from investment in the Negative

List, our PRC Legal Advisors are of the view that both the foreign restrictions measures and the Article 6 of Negative List do not apply to our proposed [**REDACTED**] as of the date of this Document.

REGULATIONS ON RADIO ADMINISTRATION AND TELECOMMUNICATIONS

Regulations on Radio Equipment

Pursuant to the Radio Regulation of the PRC (《中華人民共和國無線電管理條例》) released by the State Council and the Central Military Commission on September 11, 1993 and effective on the same day, which was subsequently amended and released on November 11, 2016 and came into force on December 1, 2016, it should be applied to the radio regulatory authority of the state for the type approval before production or import of radio transmission equipment which will be sold and used in China, except for micro power short-distance radio transmission equipment. The Type Approval List for radio transmission equipment was published by the radio regulatory authority of the state. The conditions that must be satisfied to obtain the type approval for radio transmission equipment include: the applicant should have the corresponding production capability, technical forces and quality assurance system; the technical specifications of radio transmission equipment, such as working frequency and power should meet the national standards and the relevant provisions on radio regulation of the state.

Telecommunications Regulations

Pursuant to the PRC Telecommunications Regulations (《中華人民共和國電信條例》), which was promulgated by the State Council and became effective on September 25, 2000, and latest amended on February 6, 2016, the State Council has implemented a network access licensing system for telecommunications terminal equipment, radio communications equipment and interconnection equipment. Any telecommunications terminal equipment, radio communications equipment and interconnection equipment connecting to a public network must comply with the standards specified by the State Council and obtain a network access license. The competent department of information industry of the State Council together with the State Administration of Quality Control (the "**SAQC**"), shall issue the catalogue of telecommunications equipment under the network access licensing system. The competent department of information industry of the State Council and telecommunications authorities of provinces, autonomous regions and cities under the direct control of the Central Government shall conduct supervision and examinations over the service quality and activities of the service providers and publish the result of their supervision and examinations.

Network Access Administrative Measures for Telecommunications Equipment

Pursuant to the Measures for the Network Access Management of Telecommunication Equipment (《電信設備進網管理辦法》) promulgated by the Ministry of Information Industry of the PRC (the "**MII**") on May 10, 2001, and was amended by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") on September 23, 2014. The MIIT has implemented a telecommunication equipment network access licensing system for

telecommunication terminal equipment, radio communication equipment and interconnection equipment connecting to public networks. Telecommunication equipment under the network access licensing system shall be issued a network access licence by the MIIT. Telecommunication equipment without a network access license may not be connected to public telecommunication networks and the domestic sale of these equipment in the PRC is prohibited.

When applying for a telecommunication network access licence, manufacturers of telecommunication equipment (the "**manufacturing enterprises**") shall comply with the laws, regulations and policy requirements of the PRC. Telecommunication equipment manufacturing enterprises should have a comprehensive quality assurance system and provisions for after-sale services. When applying for telecommunication equipment network access licences, manufacturing enterprises shall enclose an inspection report authorized by the product quality supervisory division of the State Council and issued by inspection authorities appointed by the MIIT, or a product quality certificate issued by certification authorities. The Telecommunication Administration Bureau of the PRC is generally responsible for the administration of telecommunication equipment connecting to public networks and the supervision of inspections nationwide. Approval authorities appointed by the MIIT are responsible for handling applications for telecommunication equipment network access licences.

REGULATIONS ON PRODUCT LIABILITY

Regulations on Product Liability

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), if defective products are identified after they have been put into circulation, the manufacturers or the sellers shall take remedial measures such as issuance of a warning, alerts, calls and recall of products in a timely manner. In the event of damage arising from a defective product or the failure to take timely remedial actions, the infringed party may seek compensation from either the manufacturer or seller of such a product. If the defect is caused by the seller, the manufacturer shall be entitled to seek reimbursement from the seller upon compensation of the victim. If the products are produced or sold with known defects, causing deaths or severe adverse health issues, the infringed party has the right to claim punitive damages in addition to compensatory damages.

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), promulgated on February 22, 1993 and was most recently amended on December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the infringed party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers and 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 and/or fines. A seller of a product shall be responsible for repairing,

replacing or returning the product with the specified defects, and shall compensate for the damages incurred by consumers who bought such defective product. After the seller performs its obligation of repairing, replacing and returning the defective product and/or compensating for the customers' damages, such seller is entitled to seek reimbursement from the manufacturer of such product, if it could be proved that the defect is caused by the manufacturer. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, the business license may be revoked.

REGULATIONS ON IMPORT AND EXPORT GOODS

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) which was promulgated by the SCNPC on May 12, 1994 and implemented on July 1, 1994, and subsequently revised on April 6, 2004 and November 7, 2016, and the Measures for the Record and Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》) which was promulgated by the MOFCOM on June 25, 2004 and implemented on July 1, 2004, and recently revised on May 10, 2021, foreign traders engaging in import and export of goods or technology shall complete the filing and registration with the MOFCOM or its delegated agencies. Where a foreign trade operator fails to complete the filing and registration, the customs will refuse to handle customs declaration and the clearance of goods imported or exported by the operator.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, and recently revised and became effective on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall register with the Customs in accordance with the laws.

REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

Environmental Protection Law

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), was promulgated and effective on December 26, 1989, and most recently revised on April 24, 2014. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, in addition to other applicable laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Such installations shall not be dismantled or left idle without authorization from the competent government

agencies. Consequences of violations of the Environmental Protection Law include warnings, fines, rectification within a time limit, forced shutdown, or criminal punishment.

Laws on Environment Impact Assessment

Pursuant to the Law of the PRC on Environment Impact Assessment (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and most recently amended on December 29, 2018, the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of the environmental impacts; and (iii) for projects with very small environmental impacts, an EIA is not required but an EIR Form shall be completed. According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, the project owner shall, after the completion of the construction project for which the environmental impact report or environmental impact report form is prepared, according to standards and procedures prescribed by the environmental protection administrative department of the State Council, conduct acceptance inspection of the constructed environmental protection facilities and prepare the acceptance inspection report.

Laws on Pollutant Discharge

According to the Catalogue of Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄》(2019年版)), which was promulgated by the Ministry of Environmental Protection and became effective on December 20, 2019, the state implements a focused management, a simplification management and a registration management of emission permits based on the pollutant-discharging enterprises and other manufacturing businesses' amount of pollutants, emissions and the extent of environmental damage. It is not required for units applicable for registration administration to apply for the pollutant discharge license, but they shall fill in and submit a pollution discharge registration form on the national pollution discharge license management information platform. According to the Guidelines for Registration of Pollutant Discharge from Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》), which were promulgated by the Office of the Ministry of Environmental Protection on January 6, 2020 and became effective on the same day, corporations that do not need to apply for a pollutant discharge permit according to laws shall fill in a registration form of pollutant discharge according to the provisions of the regulation.

REGULATIONS ON M&A RULES AND OVERSEAS LISTING

On August 8, 2006, six PRC regulatory agencies, including MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Tax (the "**SAT**"), the SAMR, China Securities Regulatory Commission (the "**CSRC**") and the State Administration of Foreign Exchange (the "**SAFE**"), issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**"), which took into effect on September 8, 2006 and was amended by MOFCOM on June 22, 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or individuals intends to acquire equity interests or assets of any other PRC domestic company affiliated with such PRC companies or individuals, such acquisition must be submitted to MOFCOM for approval. The M&A Rules also require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of CSRC prior to publicly listing their securities on an overseas stock exchange. After the FIL and its implementation regulations became effective on January 1, 2020, the provisions of the M&A Rules remain effective to the extent they are not inconsistent with the FIL and its implementation regulations.

On December 24, 2021, the CSRC published the Administrative Provisions of the State Council on the Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草稿徵求意見稿)》) (the "**Draft Administrative Provisions**"), and the Administrative Measures for Record-filings of the Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Draft Measures for Record-filing**", together with the Draft Administrative Provisions, the "**Drafts relating to Overseas Listings**"), which are open for public comments until January 23, 2022. Pursuant to the Drafts relating to Overseas Listings, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC joint stock companies; and (ii) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after submitting their listing application documents to the relevant regulator in the place of intended listing. The Drafts relating to Overseas Listings also stipulate certain circumstances in which overseas listing should not be allowed. Failure to complete the filing under the Administrative Provisions may subject a PRC domestic company to a warning and a fine of RMB1 million to RMB10 million. Under serious circumstances, the PRC domestic company may be ordered to suspend its business or suspend its business until rectification, or its permits or businesses license may be revoked. As of the Latest Practicable Date, the Drafts relating to Overseas Listings have not been formally adopted. The provisions and anticipated effective date of the Drafts relating to Overseas Listings are subject to changes and interpretation, and its implementation remains uncertain.

If the Drafts relating to Overseas Listings as currently drafted become effective in the future, our PRC Legal Advisors advised that we shall fulfill applicable obligations in accordance with the effective Drafts relating to Overseas Listings and may be subject to the filing obligation accordingly. Meanwhile, (i) as of the Latest Practicable Date, (a) we had not received any decision, inquiry, notice, warning or sanction from competent authorities that national security will be threatened or endangered as a result of our [**REDACTED**]; (b) we had not been involved in any material ownership disputes in relation to the equity, major assets and key technologies, etc.; (c) none of us, our Controlling Shareholders or ultimate controllers had committed any crime of corruption, bribery, appropriation or misappropriation of property, or disturbance of the order of the socialist market economy in the past three years; (d) none of us, our Controlling Shareholders or ultimate controllers are being involved in any investigation due to any criminal behaviors or material non-compliance in the past three years; and (e) none of our directors, supervisors, senior management had been imposed on any serious administrative penalties or involved in any investigation due to any criminal behaviors or material non-compliance in the past three years; and (ii) we will continuously pay close attention to the Drafts relating to Overseas Listings and other legislative and regulatory development in overseas listing, and implement all necessary measures in a timely manner to ensure continuous compliance with relevant laws and regulations. Taking into account the above, assuming the Drafts relating to Overseas Listings become effective in their current form entirely in the future, after consulting our PRC Legal Advisors, our Directors are of the view that there is no material impediment for us to comply with the Drafts relating to Overseas Listings in all material aspects. In addition, as advised by our PRC Legal Advisors, given that the Drafts relating to Overseas Listings are still in their draft forms and have not come into effect, we are not required to go through the filing procedures with the CSRC under the Drafts relating to Overseas Listings with respect to the [**REDACTED**] as of the Latest Practicable Date.

REGULATIONS ON DATA PROTECTION

On December 28, 2021, the CAC, jointly with other 12 governmental authorities, promulgated the Measures of Cybersecurity Review (網絡安全審查辦法) ("**MCSR**"), which became effective on February 15, 2022. According to article 2 of the MCSR, critical information infrastructure operators that intend to purchase internet products and services and online platform operators engaging in data processing activities, which affect or may affect national security, must be subject to cybersecurity review. Also, an online platform operator which possesses personal information of over one million users and intends to have a "foreign (國外) listing" must be subject to cybersecurity review. However, the MCSR does not provide any interpretation or explanation of "online platform operators" or "foreign (國外) listing". Article 10 of the MCSR further elaborates on the factors to be considered when assessing the national security risks of the relevant objects or situations, including, among others: (i) the risk of core data, important data, or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally transferred abroad; and (ii) the risk of critical information infrastructure, core data, important data, or a large amount of personal information being affected, controlled, or maliciously used by foreign governments and the risk of cyber information security due to the listing.

In addition, the MCSR grants the CAC and other competent authorities the right to initiate a cybersecurity review without application, if any member organization of the cybersecurity review mechanism has reason to believe that any internet products, services or data processing activities affect or may affect national security.

On the basis that (i) as at the Latest Practicable Date, we had not been determined or identified as a "critical information infrastructure operator" by any governmental authorities; (ii) (a) we primarily provide data transmission and processing services for IoT applications and telecommunication equipment, and generally does not access, collect or occupy any data of the customer during and after providing relevant services or telecommunication equipment to our customers; (b) under special scenario, we may be able to access data with consent by customers, but we cannot independently make decisions on the purpose and manner of accessing these data, instead, we access certain data from the customer for the purpose of provision of maintenance and value-added services, requested and authorized by the customers; (c) the customer data we may access to does not include any personal information defined under PRC Personal Information Protection Law, therefore, our business operations does not involve in any activities of purchasing internet products and services conducted by critical information infrastructure operators nor any data processing activities conducted by online platform operators; (iii) during the verbal consultation conducted by our PRC Legal Advisors with the China Cybersecurity Review Technology and Certification Center (the "CCRTCC", being the department responsible for accepting applications for cybersecurity review under the guidance of the Office of Cyber Security Review which was established under the CAC in accordance with the MCSR), the CCRTCC confirmed that listing in Hong Kong does not fall within the scope of foreign listing (國外上市) under the MCSR, and thus we have no obligation to proactively apply for cyber security reviews according to Article 7 of the MCSR, our PRC Legal Advisors are of the view that the obligations to proactively apply for cybersecurity review under Article 2 and Article 7 of MCSR do not apply to us.

Considering each circumstance as set forth in Article 10 of the MCSR, given the fact that (i) we primarily provide data transmission and processing services for IoT applications and telecommunication equipment, and generally does not access, collect or occupy any data of the customer during and after providing relevant services or telecommunication equipment to our customers; (ii) under special scenario, we may be able to access data with consent by customers, but we cannot independently make decisions on the purpose and manner of accessing these data, instead, we access certain data from the customer for the purpose of provision of maintenance and value-added services requested and authorized by the customers; (iii) the customer data we may access to does not include any personal information defined under PRC Personal Information Protection Law, our Directors confirm that we had not engaged in any internet products, services or data processing activities that affect or may affect national security as at Latest Practicable Date.

On November 14, 2021, the CAC promulgated the Regulation on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例》(徵求意見稿)) or Draft CAC Regulations. According to the Draft CAC Regulations, "data processor" means an individual or organization that independently make decisions on the purpose and manner of processing in data processing activities. Data processors shall, in accordance with relevant state

provisions, apply for cybersecurity review when carrying out the following activities: (i) the merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security; (ii) data processors that handle the personal information of more than one million people intends to be listed abroad; (iii) the data processor intends to be listed in Hong Kong, which affects or may affect national security; (iv) other data processing activities that affect or may affect national security. However, the Draft CAC Regulations provides no further explanation or interpretation for "affects or may affect national security". In addition, the Draft CAC Regulations also stipulate more detailed requirements in respect of the data processing activities conducted by data processors through internet, including but not limited to, personal data protection, important data safety and data cross-border safety management.

During the verbal consultation conducted by our PRC Legal Advisors with CCRTCC, the CCRTCC confirmed that the Draft CAC Regulations were still in the draft form for comments and had not yet come into force and thus currently we have no obligation to proactively apply for cyber security reviews according to Draft CAC Regulations as of the Latest Practicable Date.

Assuming the Draft CAC Regulations become effective in their current form entirely in the future, subject to further implementation, details, guidance or clarification of the Draft CAC Regulations, our PRC Legal Advisors are of the view that the requirements and obligations of data processors under Draft CAC Regulations do not apply to us, on the basis that, as at Latest Practicable Date, (i) we primarily provide data transmission and processing services for IoT applications and telecommunication equipment, and generally does not access, collect or occupy any data of the customer during and after providing relevant services or telecommunication equipment to our customers; (ii) under special scenario, we may be able to access data with consent by customers, but we cannot independently make decisions on the purpose and manner of accessing these data, instead, we access certain data from the customer for the purpose of provision of maintenance and value-added services requested and authorized by the customers. As such, we are not data processors defined under Draft CAC Regulations.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

Foreign Currency Exchange

Pursuant to the Foreign Exchange Administrative Regulations 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, became effective on 1 April 1996 and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996 and became effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for

capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered 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》) (the "**SAFE Circular 19**"), which took into effect on June 1, 2015 and replaced the Circular on Issues Relating to the Improvement of Business Operations with Respect to the Administration of Foreign Exchange Capital Payment and Settlement of Foreign-invested Enterprises (《國家外匯管理局關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》) (the "**SAFE Circular 142**"). The SAFE further promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration of Foreign Exchange Settlement 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》) (the "**SAFE Circular 16**") on June 9, 2016, which, among other things, amended certain provisions of the SAFE Circular 19. SAFE Circular 19 and SAFE Circular 16 removed certain restrictions previously provided under SAFE Circular 142 on the conversion by a foreign-invested enterprise of its capital denominated in foreign currency into Renminbi and the use of such Renminbi and allowed foreign invested enterprises to settle their foreign currency-denominated capital at their discretion based on actual needs of their business operations. According to the SAFE Circular 19 and the SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the SAFE Circular 19 or the SAFE Circular 16 could result in administrative penalties.

On January 18, 2017, the SAFE promulgated the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (《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》) (the "**SAFE Circular 3**"), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to the SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

On October 23, 2019, the SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is an authentic investment and such investment is in compliance with the foreign investment-related laws and regulations.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

On July 4, 2014, the SAFE promulgated the Notice on Relevant Issues Relating to Domestic Residents' Investment and Financing and Round-trip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**") for the purpose of simplifying the approval process, and for the promotion of the cross-border investment. Under the SAFE Circular 37, (1) before the PRC residents or entities conducting investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments; and (2) following the initial registration, they must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term, increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions).

The SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**") on February 13, 2015, which came into effect on June 1, 2015 and allows PRC residents or entities to register with qualified banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. The annex of the SAFE Circular 13 was partially invalidated by the Notice by the State Administration of Foreign Exchange of Repealing or Invalidating Five Regulatory Documents on Foreign Exchange Administration and Clauses of Seven Regulatory Documents on Foreign Exchange Administration.

The SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary.

REGULATIONS ON LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994 and last amended on August 26, 2019 and became effective on January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are also required to register the lease with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the PRC (《中華人民共和國商標法》) was promulgated in August 1982 and amended on February 22, 1993, October 27, 2001, August 30, 2013, and latest amended on April 23, 2019 and came into effect on November 1, 2019, and Implementation Regulations on the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) was promulgated on August 3, 2002 by the State Council and amended on April 29, 2014. These laws and regulations provide the basic legal framework for the regulations of trademarks in the PRC. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, which was last amended on October 17, 2020 and took effect on June 1, 2021, and its Implementation Rules (《中華人民共和國專利法實施細則》) last amended by the State Council on January 9, 2010 and took into effect on February 1, 2010, the National Intellectual Property Administration is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law of the PRC and its implementation rules provide for three types of patents, "invention," "utility model" and "design." Invention patents are valid for twenty years, while utility model patents are valid for ten years and design patents are valid for fifteen years, from the date of application.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, implemented on June 1, 1991 and amended on October 27, 2001, February 26, 2010 and November 11, 2020 (the latest revision took effective on June 1, 2021) and the Implementing Regulations of the Copyright Law of the PRC (《中華人民共和國

著作權法實施條例》) promulgated by the State Council on August 2, 2002, amended on January 8, 2011 and January 30, 2013 (the latest revision became effective on March 1, 2013), the PRC nationals, legal persons, and other organizations shall, enjoy copyright in their works, whether published or not, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. The copyright owner enjoys various kinds of rights, including right of publication, right of authorship and right of reproduction.

In order to further implement the Regulations for the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and last amended on January 30, 2013, the State Copyright Bureau issued the Measures for the Registration of Computer Software Copyright Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which applies to software copyright registration, license contract registration and transfer contract registration with respect to software copyright.

REGULATIONS ON TAXATION

Corporate Income Tax

According to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**CIT Law**") which was promulgated on March 16, 2007 and amended on February 24, 2017 and December 29, 2018, a unified income tax rate of 25% will be applied towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the CIT Law, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the unified 25% corporate income tax rate as to their global income.

Enterprises that are recognized as High and New Technology Enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the Ministry of Science, the Ministry of Finance and the SAT are entitled to enjoy a preferential corporate income tax rate of 15%. Under which the validity period of the High and New Technology Enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a High and New Technology Enterprise before or after the previous certificate expires.

Withholding Tax on Dividend Distribution

Furthermore, pursuant to the CIT Law and the Implementation Rules on the Corporate Income Tax of the PRC (《中華人民共和國企業所得税法實施條例》) which was promulgated on December 6, 2007 and with effect from January 1, 2008 and amended on April 23, 2019, a withholding tax rate of 10% will be applicable to any dividend payable by foreign-invested enterprises to their non-PRC enterprise investors. In addition, pursuant to the Arrangement between the PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006 and applicable in Hong Kong to income derived in any year of assessment commencing

on or after April 1, 2007 and in the PRC to any year commencing on or after January 1, 2007, a company incorporated in Hong Kong will be subject to withholding income tax at a rate of 5% on dividends it receives from its PRC subsidiaries if it holds a 25% or more of equity interest in each such PRC subsidiary at the time of the distribution, or 10% if it holds less than a 25% equity interest in that subsidiary. According to the Notice of the SAT on Issues regarding the Implementation of Dividend Provisions in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》), which was promulgated on February 20, 2009, recipients of dividends paid by PRC enterprises must satisfy certain requirements in order to obtain a preferential income tax rate pursuant to a tax treaty, one such requirement is that the taxpayer must be the ''beneficiary owner'' of relevant dividends. In order for a corporate recipient of dividends paid by a PRC enterprise to enjoy preferential tax treatment pursuant to a tax treaty, such recipient must be the direct owner of a certain proportion of the share capital of the PRC enterprise at all times during the 12 months preceding its receipt of the dividends. In addition, the Announcement of the State Administration of Taxation on Issues concerning the ''Beneficial Owner'' in Tax Treaties (《國家税務總局關於税收協定中〈受益所有人〉有關問題的公告》) promulgated on February 3, 2018 and became effective on April 1, 2018, defined the ''beneficial owner'' as a person who owns or controls income or the rights or property based on which the income is generated, and introduced various factors to adversely impact the recognition of such "beneficiary owners." On August 27, 2015, the SAT issued the Announcement of the State Administration of Taxation on Promulgation of the "Administrative Measures on Entitlement of Non-residents to Treatment under Tax Treaties" (《國家税務總局關於發布〈非居民納税人享受税收協定待遇管理辦法〉的公告》), effective on November 1, 2015 and amended on June 15, 2018 and October 14, 2019 (the last amendment came into effect on January 1, 2020), which applies to entitlement to tax treaty benefits by non-resident taxpayers incurring tax payment obligation in the PRC. According to the Administrative Measures on Entitlement of Non-residents to Treatment under Tax Treaties, non-resident taxpayers who make their own declaration shall make self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant materials stipulated in Article 7 of the Measures. Also, all levels of tax authorities shall, through strengthening follow-up administration for non-resident taxpayers' entitlement to tax treaty benefits, implement tax treaties and international transport agreements accurately, and prevent abuse of tax treaties and tax evasion and tax avoidance risks.

Value-added Tax

According 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, came into effect on January 1, 1994, and was last amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) promulgated by Ministry of Finance (the "**MOF**") on December 25, 1993 and amended on December 15, 2008 and October 28, 2011, organizations and individuals engaging in sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovable and importation of goods in the PRC shall be taxpayers of Value-added Tax (the "**VAT**"), all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, the sale of services, intangible assets or immovable properties and the importation of goods within the territory of the PRC must pay value-added tax.

Corporate Income Tax on Indirect Transfer of Non-Resident Enterprises

On December 10, 2009, the SAT issued the Notice on Strengthening the Administration of Corporate Income Tax Concerning Proceeds from Equity Transfers by Non-Resident Enterprises (《國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知》) (the "**SAT Circular 698**"). By promulgating and implementing the SAT Circular 698, the PRC tax authorities have enhanced their scrutiny over the indirect transfer of equity interests in a PRC resident enterprise by a non-resident enterprise. The SAT further issued the Announcement on Several Issues Concerning Corporate Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《國家税務總局關於非居民企業間接轉讓財產企業所得税若干問題的公告》) (the "**SAT Circular 7**") on February 3, 2015, to supersede existing provisions in relation to the indirect transfer as set forth in the SAT Circular 698. The Article 13 of the SAT Circular 7 was invalidated by the Decision of the State Administration of Taxation on Issuing the Catalogs of Tax Departmental Rules and Tax Regulatory Documents Which Are Invalidated and Repealed (《國家税務總局關於公佈失效廢止的税務部門規章和税收規範性文件目錄的決定》). The SAT Circular 7 introduces a tax regime that is significantly different from that under the SAT Circular 698. The SAT Circular 7 extends its tax jurisdiction to capture not only indirect transfer as set forth under the SAT Circular 698 but also transactions involving transfer of immovable property in China and assets held under the establishment and place, in China of a foreign company through the offshore transfer of a foreign intermediate holding company. The SAT Circular 7 also provides clearer criteria than the SAT Circular 698 on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to internal group restructurings. Where a non-resident enterprise indirectly transfers equity interests or other assets of a PRC resident enterprise by implementing arrangements that are not for reasonable commercial purposes to avoid its obligation to pay corporate income tax, such an indirect transfer shall, in accordance with the CIT Law, be recognized by the competent PRC tax authorities as a direct transfer of equity interests or other assets by the PRC resident enterprise.

On October 17, 2017, the SAT promulgated the Announcement on Matters Concerning Withholding at Source of Income Tax of Non-resident Enterprises (《國家税務總局關於非居民企業所得税源泉扣繳有關問題的公告》) (the "**SAT Circular 37**"), which came into force and replace the SAT Circular 698 and certain other regulations on December 1, 2017 and partly amended on June 15, 2018. The SAT Circular 37 does, among other things, simplify procedures of withholding and payment of income tax levied on non-resident enterprises. Under the SAT Circular 7 and the Law on the Administration of Tax Collection of the PRC (《中華人民共和國税收徵收管理法》) promulgated by the SCNPC on September 4, 1992 and latest amended on April 24, 2015, in the case of an indirect transfer, entities or individuals obligated to pay the transfer price to the transferor shall act as withholding agents. If they fail to make withholding or withhold the full amount of tax payable, the transferor of equity shall declare and pay tax to the relevant tax authorities within seven days from the occurrence of tax payment obligation. Where the withholding agent does not make the withholding, and the transferor of the equity does not pay the tax payable amount, the tax authority may impose late payment interest on the transferor. In addition, the tax authority may also hold the withholding agents liable and impose a penalty of ranging from 50% to 300% of the unpaid tax on them. The penalty imposed on the

withholding agents may be reduced or waived if the withholding agents have submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with the SAT Circular 7.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

The Labor Contract Law

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) which were separately with effect from January 1, 1995 (latest amended on December 29, 2018) and January 1, 2008 (amended on December 28, 2012), respectively, labor contracts shall be concluded if labor relationships are to be established between the employer and the employees.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Promulgation of the Pilot Program for Implementing Consolidation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發〈生育保險和職工基本醫療保險合併實施試點方案〉的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. An employer shall make registration with the local social insurance agency in accordance with the provisions of the Social Insurance Law of PRC. Moreover, an employer shall declare and make social insurance contributions in full and on time. Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) which was promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall undertake registration at the competent administrative center of housing provident fund and then, upon the examination by such administrative center of housing provident fund, undergo the procedures of opening the account of housing provident fund for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident fund for their employees in full amount.

Pursuant to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國税地税徵管體制改革方案》), which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018, from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance will be collected by the tax authorities. According to the Notice by the General Office of the State Taxation Administration on Conducing the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated on September 13, 2018 and the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Notice of the State Administration of Taxation on Implementing the Several Measures to Further Support and Serve the Development of Private Economy (《國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》) promulgated on November 16, 2018 repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

REGULATIONS ON ANTI-CORRUPTION AND ANTI-BRIBERY

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 April 23, 2019, a business operator shall not resort to bribery to seek a transaction opportunity or competitive advantage by offering money or goods or by any other means, to (i) any employee of the counterparty in a transaction, (ii) any entity or individual entrusted by the counterparty in a transaction to handle relevant affairs, or (iii) any other entity or individual that takes advantage of powers or influence to influence a transaction. A business operator may expressly offer a discount to the counterparty or pay commissions to the intermediaries of a transaction in the course of transaction activities, which shall be properly recorded at both parties' accounting books. Any commercial bribery committed by an employee of a given operator will be deemed as conduct of such operator unless such operator has evidence that such act is not related to such operator's efforts in seeking a transaction opportunity or competitive advantage.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, our International Sanctions Legal Advisors, have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the United Nations and Australian sanctions in their entirety.

U.S.

Treasury regulations

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

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

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

United Nations

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

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more

targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

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

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

European Union

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

United Kingdom and United Kingdom overseas territories

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

Australia

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