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MAJOR REGULATORY AUTHORITIES AND RELATED AGENCIES

In addition to authorities that perform general regulation on companies in the PRC, our operations in the PRC are mainly subject to supervision and management by the following authorities:

The State Administration for Market Regulation

The State Administration for Market Regulation is responsible for integrated supervision and management of the market, conducting unified registration of entities in the market; organizing and guiding supervision and comprehensive law enforcement over the market; conducting anti-monopoly unified enforcement; supervising and managing market order; managing macroscopic quality; supervising and managing product quality and special equipment safety; supervising and managing food safety and comprehensive coordination; supervising and managing food safety; conducting unified management and measurement; unified management of standardization; unified management of inspection and testing; unified management; supervision and comprehensive coordination of national certification and accreditation; supervising and managing the establishment of technology and informatization for market; news release and publicity; international exchanges and cooperation and administration of National Medical Product Administration and National Intellectual Property Administration and other agencies. The Company’s incorporation registration and business qualifications, such as special equipment production licenses required for production and operation, are subject to the routine supervision and management under the State Administration for Market Regulation and its local branches at all levels.

The Ministry of Housing and Urban-Rural Development of the People’s Republic of China

The main duties of the Ministry of Housing and Urban-Rural Development of the People’s Republic of China (the “**MOHURD**”) include: to ensure the housing needs of urban low-income households are met; to promote the reform of the housing system; to regulate the order of housing and urban and rural construction management; to establish a scientific and regulated system of engineering construction standard; to perform the responsibility of regulating the order of the real estate market and supervising and managing the real estate market; to monitor and manage the construction market; to regulate all parties in the market; to study and formulate policies and plans for urban construction and guide the implementation thereof; to guide the construction, safety and emergency management of urban municipal public facilities; to formulate and implement national development planning and policies in respect of scenic area; to conduct the review, approval, supervision and management of national scenic area; to organize and review the application of the world natural heritage; to review the application of the world natural and cultural dual heritage in cooperation with cultural relics authorities and others; to work with the cultural relic authorities for the protection, supervision and management of famous historical and cultural cities (towns and villages); to perform the responsibilities of regulating the construction of villages and towns and guiding the construction of villages and towns across China; to perform the responsibilities of the quality and safety supervision of construction projects; to perform the responsibilities of

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promoting building energy conservation and urban emission reduction; to supervise and manage the housing provident funds and ensure the effective use and safety of the provident funds; to carry out international exchanges and cooperation in housing and urban and rural construction; to perform the responsibilities of specifying housing transaction-related policies, rules and regulations and supervising their implementation; to guide and supervise the management of housing property titles; to perform the responsibilities of building the nationwide real estate market monitoring system; to perform the responsibilities of formulating policies and regulations for law enforcement by urban management authorities; to guide the nationwide law enforcement by urban management authorities; to supervise law enforcement by urban management authorities; to organize the investigation and disciplinary action of material cases in respect of housing and urban and rural construction; to guide the review of fire safety design of construction projects. The Company is mainly engaged in specialized industrial works, specialized auxiliary construction, other construction and non-construction businesses. Such businesses are subject to the routine supervision and management of MOHURD and its local branches at all levels.

The Ministry of Emergency Management of the People’s Republic of China

The Ministry of Emergency Management of the People’s Republic of China (“**Ministry of Emergency Management**”) is an authority in charge of matters related to production safety within the territory of the People’s Republic of China. Its duties include: to organize the preparation of the general national contingency plans and planning; to guide various regions and departments in responding to emergencies, and to promote the establishment of emergency contingency plans system and emergency response drill; to establish a disaster reporting system and unified release of disaster-related information; to coordinate the building-up of emergency forces and material reserves; to make unified scheduling during disaster relief; to organize the construction of disaster relief system; to guide emergency rescues for production safety and natural disasters; to undertake the work of the national headquarters for responding to particularly severe disasters; to guide the prevention and control of fires, floods, droughts, and geological disasters; to perform the responsibilities of comprehensive supervision and management of production safety and supervision and management of production safety of industry, mining, commercial and trading industries. The Company’s construction and other business operations are subject to the routine supervision and management under the Ministry of Emergency Management and its local branches at all levels.

The Ministry of Commerce of the People’s Republic of China

The MOFCOM is an authority in charge of the domestic and international trade and international economic cooperation of the People’s Republic of China. Its duties include: to formulate strategies and policies on development of domestic and international trade and international economic cooperation; to draft laws and regulations and to formulate relevant departmental rules on domestic and international trade, foreign investment, overseas investment and economic cooperation with other countries and regions; to guide the nationwide foreign investment; to formulate policies and plans of reform for foreign investment and organizing the implementation thereof; to approve the establishment and changes of foreign-invested enterprises in accordance with the law. The MOFCOM is also responsible for handling

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filing and registration of foreign trade dealers engaging in import and export of goods or technologies. The Company is also subject to the MOFCOM’ supervision and management in respect of overseas investment such as overseas acquisitions or investment and establishment of enterprises.

National Development and Reform Commission of the People’s Republic of China

The NDRC is an authority that studies and formulates economic and social development policies, ensures overall balance of economy and guides the overall regulation and control of economic system reform from a macro perspective. Its duties include: to coordinate and promote the development, draft and implement development plan of national strategic emerging industries; to coordinate related industries and regional planning; to perform responsibilities of comprehensive management of investments; to review and approve major foreign-funded projects and investment projects involving significant amount of foreign exchange. The Company’s construction projects and other businesses are supervised and managed by NDRC and its local branches at all levels. In addition, the Company is also subject to NDRC’s supervision and management on foreign investment with regard to the establishment of overseas enterprises.

The Ministry of Ecology and Environment of the People’s Republic of China

The main duties of the Ministry of Ecology and Environment of the People’s Republic of China (the “MEE”) are: to establish and improve the basic system of the ecological environment; to plan, coordinate, supervise and manage major ecological and environmental issues; to supervise and manage the implementation of the national emission reduction targets; to give advices on the size and direction of fixed asset investments in the field of ecology and environment and the arrangement of national fiscal funds; to approve fixed asset investment projects within the scope the national planning and annual planning size; to supervise and manage environmental pollution prevention and control; to guide, coordinate and supervise ecological protection and restoration; to supervise and manage ecological and environmental access, including approval or review environmental impact assessment documents of major development and construction areas, planning, and projects; to conduct inspection of ecological environment; to perform overall responsibility for monitoring and law enforcement in respect of ecology and environment.

SELF-DISCIPLINARY ORGANIZATIONS OF THE INDUSTRY

In addition to the supervision of the abovementioned competent departments, enterprises in the domestic construction industry and concrete structure industry are also subject to the guidance of the coordination organization and acquire relevant services. Such coordination organizations of the industry mainly include the China Construction Industry Association, which, registered in the PRC, is a social organization voluntarily formed by enterprises and public institutions, local associations, functional associations and relevant professionals engaging in the construction industry. It is a national, industry-based, and nonprofit social organization with the qualification of corporate legal entity.

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RELEVANT LAWS AND REGULATIONS

Permits and qualifications for a construction company

1. *Contractor Qualifications of Construction Projects*

Requirements relating to application for qualification and scope of contracting of enterprises in the construction industry are stipulated in the Construction Law of the People's Republic of China (《中華人民共和國建築法》) (Order No.29 of the President of the PRC, promulgated on November 1, 1997, amended on April 22, 2011 and April 23, 2019 and taking effect on April 23, 2019), Provisions on the Administration of Qualifications of Enterprises in Construction Industry (《建築業企業資質管理規定》) (No.22 Order of the Ministry of Housing and Urban-Rural Development of the PRC, promulgated on January 22, 2015, amended and taking effect on December 22, 2018), Qualification Standards of Construction Enterprises (《建築業企業資質標準》(建市[2014]159號)) (Jian Shi [2014] No.159, promulgated on November 6, 2014 and taking effect on January 1, 2015), the Premium Class Qualification Standards for General Construction Contractors (《施工總承包企業特級資質標準》(建市[2007]72號)) (Jian Shi [2007] No.72, promulgated and taking effect on March 13, 2007), the Implementing Measures of Premium Class Qualification Standards for General Construction Contractors (《施工總承包企業特級資質標準實施辦法》(建市[2010]210號)) (Jian Shi [2010] No.210, promulgated on November 30, 2010, amended and taking effect on November 9, 2015), the Opinions on the Implementation of the Provisions on the Administration and Standard of Qualifications of Enterprises in Construction Industry (《建築業企業資質管理規定和資質標準實施意見》(建市[2015]20號)) (Jian Shi [2015] No.20, promulgated on January 31, 2015, amended and taking effect on January 16, 2020) and other regulations.

Construction enterprises shall comply with the aforesaid laws and regulations and apply for relevant qualifications accordingly to engage in the construction contracting business. Qualifications for construction enterprises are categorized into three groups, namely, general contracting, specialized subcontracting and labor service subcontracting. The general contracting qualification is classified into four classes, namely, the premium class, the first class, the second class and the third class. The specialized subcontracting qualification is classified into three classes, namely, the first class, the second class and the third class.

The Qualification Standards of Construction Enterprises sets forth detailed provisions on the requirements for each type and class of qualifications mentioned above and the premium class qualification standards are prescribed separately in the Premium Class Qualification Standards for General Construction Contractors (《施工總承包企業特級資質標準》).

Enterprises holding the Premium Class Certificate may undertake construction project management services based on the scope of the qualification. Such enterprises may undertake all aspects of the construction works themselves, or subcontract non-essential construction works to subcontracting enterprises. Such enterprises may also engage labor subcontracting agents to carry out the construction work. Construction work should be subcontracted to subcontracting enterprises with relevant qualifications, and labor work should be subcontracted to labor subcontracting agents with relevant qualifications.

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Enterprises holding subcontracting certificates may undertake projects subcontracted from a general construction contractor in compliance with relevant regulations. An enterprise that has obtained subcontracting certifications should undertake the entire subcontracting project itself but a subcontracting enterprise may subcontract any labor work to labor subcontracting agents with relevant qualifications in accordance with relevant PRC laws and regulations.

If the construction enterprise needs to continue to renew qualification certificates after the validity expires, an application for renewal shall be made not less than three months before expiration of the qualification certificates.

2. Qualifications for Construction Design

Pursuant to the Regulations on the Administration of Survey and Design of Construction Projects (《建設工程勘察設計管理條例》) (No.687 Order of the State Council, promulgated on September 25, 2000, amended on June 12, 2015 and October 7, 2017 and taking effect on October 7, 2017) and the Provisions on the Administration of Qualifications for Survey and Design of Construction Projects (《建設工程勘察設計資質管理規定》) (No.160 Order of the Ministry of Construction of the PRC, promulgated on June 26, 2007, amended on May 4, 2015, October 20, 2016 and December 22, 2018 and taking effect on December 22, 2018), the PRC Government has implemented a system of qualification administration for enterprises engaged in construction survey and design. Enterprises engaged in construction design shall apply for qualification certifications before they undertake construction design activities.

Construction design qualifications are classified into four types and four grades. The four types are comprehensive construction design qualification, industry-specific construction design qualification, specialty construction design qualification, and specialized construction design qualification. In addition, the four classes are Class A, B, C and D. The comprehensive construction design qualification only has Class A. Industry-specific construction design qualification, specialty construction design qualification and specialized construction design qualification are generally categorized into Class A and Class B. Depending on the nature and technical characteristics of the relevant construction engineering projects, there may be an additional Class C for certain industry-specific construction design qualification and specialty construction design qualification, and additional Class C and D for specialized construction design qualification.

The scope of work that enterprises are allowed to provide depends on the specific category and class of their certificates. The Qualification Standards of Construction Design (《工程設計資質標準》(建市[2007]86號)) (Jian Shi [2007] No.86, promulgated on March 29, 2007, amended and taking effect on June 16, 2016) sets forth detailed provisions on application requirements of each category and class mentioned above.

Pursuant to the Provisions on the Administration of Qualifications for Survey and Design of Construction Projects, an enterprise shall submit an application to the original licensing department for renewal of registration no less than 60 days before the expiration of the qualification certificates.

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3. *Reform of Qualification of Construction Enterprises*

On November 30, 2020, the Ministry of Housing and Urban-Rural Development promulgated the Notice of Printing and Distributing the Reform Plan for the Qualifications Management System of Construction Enterprises (《關於印發建設工程企業資質管理制度改革方案的通知》) (Jian Shi [2020] No.94) to carry out reform on the qualification of construction enterprises, further lift the access restrictions of construction market and improved the approval services. The relevant reforms involving engineering contracting and qualifications of construction design are as follows:

Contracting qualifications: to adjust the 10 types of premium grade qualification of general contracting enterprises for construction to comprehensive construction qualifications, which can undertake general contracting business of various industries and grades; to retain 12 types of general contracting qualification, and to integrate the specialized subcontracting qualification of civil aviation projects into general contracting contractor qualification; to integrate 36 categories of specialized subcontracting qualifications into 18 categories; to change the construction qualifications of labor service enterprises to specialized operation qualifications, and to change from the approval system to the filing system. Comprehensive qualifications and specialized operation qualifications are not subject to classification. Main contractor qualification and specialized subcontractor qualification are reduced to grades A and B in principle (certain specialized subcontracting qualifications are not graded). Among them, the Grade A qualifications for general construction contractor are not subject to any limit in terms of the size of business in the industry.

Qualifications of construction design: to retain comprehensive qualifications; to integrate 21 types of industry-specific qualifications into 14 types; to integrate 151 types of speciality qualifications, 8 types of specific qualifications, and 3 types of firm-level qualifications into 70 types of speciality and firm-level qualifications. Comprehensive qualifications and firm-level qualifications are not subject to classification. In principle, the grades of industry-specific qualifications and speciality qualifications are reduced to grades A and B (certain qualifications only retain Grade A).

For the transition period and the extension of the term of the qualification validity period involved in the above qualification reform, the qualification reform plan stipulates that a transition period of 1 year will be allowed, and a simple renewal procedure will be implemented after the expiration, which means that the new qualification certificate is directly renewed according to the corresponding changes to the old certificate as per the new requirements under new qualification management, and there is no need to re-assess the qualifications. At the same time, on June 28, 2020, the General Office of MOHURD issued the “Notice on Relevant Matters Concerning the Renewal of Qualifications of Construction Enterprises” (Jian Ban Shi Han [2020] No.334), which stipulates that the validity period of the qualification certificates of engineering survey, engineering design, construction enterprises, and engineering supervision enterprises issued by the MOHURD expires from July 1, 2020 to December 30, 2021 will be extended to December 31, 2021. On December 13, 2021, the General Office of MOHURD further issued the “Notice on Matters Concerning the Unified

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Renewal of the Qualifications of Construction Enterprises” (Jian Ban Shi Han [2021] No.510), which stipulates that the validity period of the qualifications and qualification certificates of engineering survey, engineering design, construction enterprises, and engineering supervision enterprises issued by the MOHURD expires on any date falling within the period from December 31, 2021 to December 30, 2022 will be extended to December 31, 2022. On October 28, 2022, the General Office of MOHURD further issued the Circular on Matters Concerning the Qualifications of Construction Engineering Enterprises, which stipulates that the qualification certificates, issued by the MOHURD for engineering survey, engineering design, construction enterprises, and engineering supervision enterprises, which are due to expire before December 30, 2023, will be extended to December 31, 2023.

4. Construction Permits of Building Projects

According to the Administrative Measures for Construction Permits of Building Projects (《建築工程施工許可管理辦法》) (No.42 Order of the Ministry of Housing and Urban-Rural Development of the PRC, promulgated on October 15, 1999, amended on July 4, 2001, June 25, 2014, September 28, 2018, March 30, 2021 and taking effect on March 30, 2021), for construction, fitting out and decoration works in respect of various housing construction and auxiliary facilities thereof, installation of circuits, pipelines and equipment, as well as construction of infrastructural works for cities and towns, the construction entities shall apply for construction permits from the competent department in accordance with the regulations of the Administrative Measures for urban-rural development of housing of the local people’s government at or above prefecture level where the construction is located prior to the commencement of works.

It is not necessary to apply for construction permits for construction works of investment amount less than RMB0.3 million or which the gross floor area is less than 300 sq.m. The administrative authority in charge of housing and urban-rural development of the people’s government of a province, autonomous region or municipality directly under the Central Government may, in accordance with the specific circumstances prevailing in their respective regions, readjust these limits and notify the department under the State Council responsible for construction for its records. For any construction project for which the report on the start of construction has been approved in accordance with the powers and procedures specified by the State Council, the construction entity concerned shall not be required to apply for a construction permit.

According to the Guiding Opinions of the MOHURD on Strengthen Vocational Training of Construction Workers (《住房和城鄉建設部關於加強建築工人職業培訓工作的指導意見》) (Jian Ren [2015] No.43, promulgated on March 26, 2015 and taking effect on the same day), it expressly stipulates that construction workers shall be qualified to engage in construction industry, accept classified trainings based on vocational skill standards and they all shall be employed with certificates. For workers who engage in technical types of work, they shall accept safety production training, theoretical knowledge training and operating skills training; for general workers on site, they shall accept safety production training pursuant to the requirements of vocational skills standards issued by the MOHURD. Construction workers

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must be trained and qualified, and obtain training certificate from construction enterprises or training institutions. For workers who engage in special type of construction work, they shall accept specialized training and pass the assessment, and obtain qualification certificates for special construction workers (《建築施工特種作業人員操作資格證書》) from the administrative authority in charge of housing and urban-rural development.

Tender and bidding

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》) (Order No.86 of the President of the PRC, promulgated on August 30, 1999, amended on December 27, 2017, and taking effect on December 28, 2017), large-scale infrastructure and public works projects relating to social and public welfare and safety within the PRC, projects funded wholly or partly by the state, and the survey, design, construction and supervision of projects using loans or aid funds from international organizations or foreign governments, as well as the procurement of major equipment and materials for project construction shall be subject to bidding. The bid winner may, according to the provisions under the contract or the consent from the project owner, subcontract non-vital parts and non-critical works of the project. The individual accepting such contracting shall be equipped with corresponding qualifications and shall not subcontract his portion of works.

The Implementing Regulations on the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》) (No.709 Order of the State Council of the PRC, promulgated on December 20, 2011, amended on March 1, 2017, March 19, 2018 and March 2, 2019 and taking effect on March 2, 2019) set out detailed provisions regarding relevant activities such as tender, bid submission, bid opening, bid evaluation, bid granting and entering into agreement, based on the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》).

The Administrative Measures for Tender and Bidding of House-building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程施工招標投標管理辦法》) (No.47 Order of the MOHURD the PRC, promulgated on June 1, 2001, amended on September 28, 2018 and March 13, 2019 and taking effect on March 13, 2019) explicitly stipulates ranges of the house-building and municipal infrastructure projects, projects required for bidding and specific requirements about tender, bid submission, bid opening, bid evaluation and bid granting.

The Administrative Measures for Tender and Bidding of Construction Work Design (《建築工程設計招標投標管理辦法》) (No.33 Order of the Ministry of Housing and Urban-Rural Development of the PRC, promulgated on January 24, 2017 and taking effect on May 1, 2017) clearly provides situations not required for bidding, procedures of public bidding, contents of bidding documents, requirements for tender and bid evaluation for construction work design plan.

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The Several Opinions of the Ministry of Housing and Urban-Rural Development on Further Pushing the Development of EPC (《住房城鄉建設部關於進一步推進工程總承包發展的若干意見》) (Jian Shi [2016] No.93, promulgated on May 20, 2016 and taking effect on the same day) explicitly stipulates the main model of EPC, EPC subcontracting, responsibilities and obligations of the EPC companies and regulatory procedures of EPC project management.

The Measures for Administration on the Construction by Sub-contract of Housebuilding and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程施工分包管理辦法》) (No.124 Order of the Ministry of Construction of the PRC, promulgated on February 3, 2004, amended on August 27, 2014 and March 13, 2019 and taking effect on March 13, 2019) explicitly stipulates the definition and varieties of subcontracting, house-building and municipal infrastructure projects, requirements and conditions for subcontracting and the breach of subcontracting.

The Notice of the MOHURD on Administration of the Determination, Investigation and Handling of Breaches of the Laws on Contract-issuing and Contracting in connection with Construction Works (《住房和城鄉建設部關於印發建築工程施工發包與承包違法行為認定查處管理辦法的通知》) (Jian Shi Gui [2019] No.1, promulgated on January 3, 2019 and taking effect on January 1, 2019) sets out detailed provisions of the identification of acts, such as the illegal subcontracting and affiliated behavior, of project owners and construction entities of a construction project in the construction contracting and contracting activities of construction projects, and also provides relevant measures and penalty provisions for investigation and handling.

The Management Rules Regarding the Pricing of the Contract and Sub-contract Price of Construction Projects (《建築工程施工發包與承包計價管理辦法》) (No.16 Order of the Ministry of Housing and Urban-Rural Development of the PRC, promulgated on December 11, 2013 and taking effect on February 1, 2014) clearly provides how to price the contract and sub-contract of construction projects, and stipulates issues such as conclusion of a contract, change of prices and construction completion acceptance and settlement after tender and bidding.

Construction Safety

Pursuant to the Work Safety Law of People’s Republic of China (Order No.88 of the President of the PRC, promulgated on June 29, 2002, amended on August 27, 2009, August 31, 2014 and June 10, 2021 and taking effect on September 1, 2021), the Regulation on the Work Safety Permits (《安全生產許可證條例》) (Order No.397 of the State Council of the PRC, promulgated on January 13, 2004, amended on July 18, 2013 and July 29, 2014 and taking effect on July 29, 2014), the Regulation on the Administration of Work Safety of Construction Projects (Order No.393 of the State Council of the PRC, promulgated on November 24, 2003 and taking effect on February 1, 2004), and the Provisions on the Administration of Construction Enterprises’ Work Safety Permits (《建築施工企業安全生產許可證管理規定》) (Order No.128 of the MOC of the PRC, promulgated on July 5, 2004, amended on January 22, 2015 and taking effect on January 22, 2015), and other relevant laws and regulations,

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constructing enterprises shall be subject to the work safety permit system implemented by the PRC Government and apply for a Safety Production Permit (安全生產許可證). Before undertaking any construction activity, a construction enterprise shall file an application to the competent department of construction at or above the provincial level for a work safety license. Construction enterprises must not engage in construction activities without work safety permits.

The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) provides that a production enterprise must meet the national legal standards or industry standards on work safety and provide safe work conditions set out in relevant laws and regulations. Mining, metal smelting, construction and transportation units and production, operation, storage, loading and unloading units of dangerous goods shall establish a work safety management body or have full-time work safety management personnel. Any business entity other than those prescribed above shall establish a work safety management body or have full-time work safety management personnel if the number of its employees exceeds 100; or shall have full-time or part-time work safety management personnel if the number of its employees is 100 or less. Production business entities shall provide safe production education and training for their employees to ensure that their employees have necessary work safety knowledge, are familiar with the relevant work safety policies and rules and safe operating procedures, and possess the safe operating skills for their respective posts. Special operation workers (as determined by the emergency management department of the State Council together with the relevant departments of the State Council) shall receive special training on safe operation as required, and may not perform relevant duties until a corresponding qualification is obtained. The designers and the design firms for the safety facilities of a construction project are liable for their designs. A production enterprise must present prominent warning signs at relevant dangerous operation sites, facilities and equipment. If the company fails to comply with the provisions of the Work Safety Law of the People's Republic of China, the supervisory authority on production safety may issue a rectification order, impose a fine, order the company to cease production and operation, or revoke the relevant permit.

Pursuant to the Regulations on the Administration of Work Safety of Construction Projects (《建設工程安全生產管理條例》), entities engaging in construction, survey, design, construction, project supervision and other entities responsible for the work safety of a construction project must comply with the provisions of the laws and regulations on work safety, ensure the work safety of construction projects and assume the liabilities of the work safety of the construction projects. In the case of a construction work covered by a general contract, the main contractor will be liable for the general work safety of the construction site. Where a main contractor subcontracts the construction project to another contractor according to the law, their respective rights and obligations shall be clearly stipulated in the subcontract contract. The main contractor and the subcontractor shall be jointly and severally responsible for the safety of the subcontract project. A construction entity must purchase accidental injury insurance for the workers engaged in dangerous works on the construction site for injuries suffered in work-related accidents, and the insurance premium will be paid by the construction entity. In the case of a construction work covered by a general contract, the insurance premium

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will be paid by the main contractor. The period covered by the insurance policies should commence on the starting date of the construction project and terminate on the date of the acceptance and inspection upon the completion of the project.

Pursuant to the Regulations on the Reporting, Investigation and Handling of Work Safety Accidents (生產安全事故報告和調查處理條例) (Order No.493 of the State Council of the PRC, promulgated on April 9, 2007 and taking effect on June 1, 2007), work safety accidents that cause personal injuries or deaths or direct economic losses shall be generally categorized as follows:

- (a) Particularly significant accidents shall refer to accidents that cause more than 30 deaths, or serious injuries of more than 100 people (including acute industrial poisoning, hereinafter the same), or direct economic losses of more than RMB100 million;
- (b) Significant accidents shall refer to accidents that cause more than ten deaths but less than 30 deaths, or serious injuries of more than 50 people but less than 100 people, or direct economic losses of more than RMB50 million but less than RMB100 million;
- (c) Relatively significant accidents shall refer to accidents that cause more than three deaths but less than ten deaths, or serious injuries of more than ten people but less than 50 people, or direct economic losses of more than RMB10 million but less than RMB50 million; and
- (d) General accidents shall refer to accidents that cause less than three deaths, or serious injuries of less than ten people, or direct economic losses of less than RMB10 million.

MOC introduced the Provisions on Prevention of Falling Accident of the Construction Works Projects (《建築工程預防高處墜落事故若干規定》) (Jian Zhi [2003] No.82, promulgated and taking effect on April 17, 2003), which sets out strict rules on staff and equipment requirements for height operation under a strict liability regime, so as to ensure construction safety and prevent accidents, and the Provisions on Collapse Prevention of Construction Works Projects (《建築工程預防坍塌事故若干規定》) (Jian Zhi [2003] No.82, promulgated and taking effect on April 17, 2003), which requires the entities engaged in new construction, reconstruction, expansion and other activities to prepare the construction plan, which should be strictly based on the geological conditions, construction technologies, working conditions and the surrounding environment, so as to prevent accidents.

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Quality Supervision of Construction Works Projects

According to Regulation on the Quality Management of Construction Works Projects (建設工程質量管理條例) (Order No.714 of the State Council of the PRC, promulgated on January 30, 2000, amended on October 7, 2017 and April 23, 2019 and taking effect on April 23, 2019), construction enterprises, survey firms, designers, construction enterprises and project supervisory enterprises shall perform the responsibilities of the quality of construction projects. In a general contracting construction project, the main contractor is liable for quality of the overall work. For the construction project survey, design, construction and equipment purchase, if one or more than one of the aforesaid tasks is/are under a general contract, the main contractor shall perform the responsibilities of the quality of the construction project contracted by it or equipment purchased by it. Where a main contractor subcontracts the construction project in question to another contractor in accordance with the law, the subcontractor shall, under the provisions of the subcontract, and be jointly liable for the quality of the project subcontracted by it. The main contractor and the subcontractor shall be jointly and severally responsible for the quality of the aforesaid project. Contracting parties should present quality guarantee and maintenance certificates to the construction enterprises when tendering the project completion report to the construction enterprises. The quality guarantee maintenance certificate shall clarify, among others, the warranty scope, warranty period and warranty responsibilities of the construction project.

Inspection and acceptance of construction projects

Pursuant to the Notification on Rules of As-built Inspection of Housing, Building and Municipal Infrastructure Projects issued by MOHURD (Jian Zhi [2013] No.171, promulgated and taking effect on December 2, 2013) (《住房和城鄉建設部關於印發<房屋建築和市政基礎設施工程竣工驗收規定>的通知》(建質[2013]171號)), after completion of the project, an inspection team comprising engineering, design, survey, construction, supervision units should be established. Each entity is required to report the compliance status of engineering contracts, the implementation of laws, regulations and mandatory standards for engineering construction in various aspects of the construction.

Pursuant to the Administrative Measures for the Filing of As-built Inspection of Housing, Building and Municipal Infrastructure Projects (Order No.2 of MOHURD of the PRC, promulgated and taking effect on October 19, 2009) (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》(中華人民共和國住房和城鄉建設部令第2號)), the filing of the as-built inspection of various housing, building and municipal infrastructure projects, including newly built, extended and rebuilt projects, within the PRC shall be governed by such measures. A construction entity shall, in accordance with the measures, conduct filing with the competitive construction department of people’s government at or above the county level at the place where the project is located within 15 days from the date on which the as-built inspection of the project is passed.

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Environmental protection

Pursuant to Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) (Order No.9 of the President of the PRC, promulgated on December 26, 1989, amended on April 24, 2014 and taking effect on January 1, 2015), the construction of any project that causes pollution to the environment must comply with the administrative regulations on environment protection relating to the construction projects. The pollution prevention facilities for construction projects shall be designed, constructed and put into operation simultaneously with the main works. The PRC government implements a system for administering licenses for the discharge of pollutants under the provisions of the laws. Enterprises, entities and other production operators under the licensing management for pollutant discharge should only discharge pollutants which satisfy the requirements of pollutant discharge license. Those which have not yet obtained the pollutant discharge license may not discharge pollutants. Pollutant-discharging enterprises, entities and other production operators shall pay sewage fees pursuant to the relevant provisions of the State.

Under the Regulations on the Administration of Environmental Protection for Construction Project (Order No.682 of the State Council of the PRC, promulgated on November 29, 1998, amended on July 16, 2017 and taking effect on October 1, 2017) (《建設項目環境保護管理條例》), construction entities shall assess the environmental impacts for their construction projects before commencing. Construction entities shall, depending on the level of the environmental impacts, prepare environmental impact reports or environmental impact statements to the relevant environmental protection administration and obtain approval from relevant administration. Environmental protection facilities shall be designed, constructed and put into operation simultaneously with the main construction works. Upon the completion of construction projects, construction entities shall file an application with the competent department of environmental protection administration for acceptance checks on environmental protection facilities before operating the construction projects.

Pursuant to the Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) (Order No.43 of the President of the PRC, promulgated on October 30, 1995, amended on December 29, 2004, June 29, 2013, April 24, 2015, November 7, 2016 and April 29, 2020 and taking effect on September 1, 2020), construction projects where solid waste are generated or projects for storage, utilization or disposal of solid waste shall be subject to environmental impact assessment. The facilities for the prevention and control of environmental pollution by solid wastes required to be built as ancillaries determined in the environmental impact assessment document of a construction project shall be designed, built and put into operation at the same time as the main part of the project. The preliminary design of the construction project shall, as required by the environmental protection design standards, incorporate the prevention and control of environmental pollution by solid wastes into the environmental impact assessment document.

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According to the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) (Order No.70 of the President of the PRC, promulgated on May 11, 1984, amended on May 15, 1996, February 28, 2008 and June 27, 2017 and taking effect on January 1, 2018), newly-formed projects and reconstruction, or extensions projects that directly or indirectly discharge pollutants to water bodies and other installations on water are subject to environmental impact assessment. The facilities for the prevention and control of water pollution in a construction project shall be designed, constructed and put into use with the principal part of the project at the same time.

Under the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (Order No.16 of the President of the PRC, promulgated on September 5, 1987, amended on August 29, 1995, April 29, 2000, August 29, 2015 and October 26, 2018 and taking effect on October 26, 2018) (《中華人民共和國大氣污染防治法》), when construction projects have an impact on atmospheric environment, enterprises and public institutions shall conduct environmental impact assessments and publish the environmental impact assessment documents according to the law; when discharging pollutants to the atmosphere, they shall conform to the atmospheric pollutant discharge standards and abide by the total quantity control requirements for the discharge of key atmospheric pollutants.

Under the Law of the People's Republic of China on Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) (Order No. 104 of the President of the PRC, promulgated on December 24, 2021 and taking effect on June 5, 2022), the facilities for the prevention and control of noise pollution of the construction projects shall be designed, constructed and put into use simultaneously with the body of the project. Construction units shall conduct acceptance test on such facilities of the supporting construction in accordance with relevant laws and regulations. And inspection reports shall be prepared and made public. Construction projects that have not gone through the acceptance test or that failed the acceptance test are not allowed to be put into operation or use.

Under the Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》) (Order No.16 of the President of the PRC, promulgated on December 25, 2016 and amended and taking effect on October 26, 2018), enterprises, entities and other production operators that discharge taxable pollutants directly to the environment within the territorial areas of the PRC and other sea areas under the jurisdiction of the PRC are the taxpayers of the environmental protection tax and should pay environmental protection tax based on the requirements of the law. Enterprises, entities and other production operators that discharge taxable pollutants directly to the environment shall be legally liable for the damages other than the taxes on environmental protection paid pursuant to the requirements of the law.

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OTHER PRINCIPAL LAWS AND REGULATIONS RELATING TO OUR BUSINESSES IN THE PRC

Foreign Investment

Foreign investors in the PRC are subject to certain restrictions regarding the types of industries they can invest in. The Special Administrative Measures for the Access of Foreign Investment (the “**Negative List**”) (2021 Edition) (《外商投資准入特別管理措施(負面清單)(2021年版)》) was promulgated by NDRC and MOFCOM on December 27, 2021 and taking effect on January 1, 2022. The Negative List set out the special management measures for the access of foreign investment, such as the requirements on shareholding percentages and the management. The Negative List covers 12 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The Administrative Measures for Approval and Filing of Foreign-invested Projects (2014 Revision) (《外商投資項目核准和備案管理辦法(2014修正)》) (Order No.12 of the NDRC, promulgated on May 17, 2014 and amended and taking effect on December 27, 2014) which was promulgated by NDRC, shall apply to foreign-invested projects by Sino-foreign equity joint ventures, Sino-foreign cooperative joint ventures, wholly foreign-owned enterprises, foreign-invested partnerships, merger and acquisition of domestic enterprises by foreign investors, capital increase and reinvestment by foreign-invested enterprises, etc. Those foreign-invested projects shall be managed either by verification and approval or by record-filing.

The Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) (Order No.26 of the President of the PRC, promulgated on March 15, 2019 and taking effect on January 1, 2020) which was passed by the NPC applies to the investment activities in the PRC carried out directly or indirectly by foreign natural persons, enterprises or other organizations.

Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the State Administration for Market Regulation (Order [2019] No.2 of the MOFCOM and the State Administration for Market Regulation, promulgated on December 30, 2019 and taking effect on January 1, 2020), a listed foreign-funded company may, when the change of foreign investors’ shareholding ratio accumulatively exceeds 5% or the foreign party’s controlling or relatively controlling status changes, report the information on the modification of investors and the shares held by them.

Outbound Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) (Order [2014] No.3 of the MOFCOM, promulgated by the MOFCOM on September 6, 2014 and taking effect on October 6, 2014), the MOFCOM and the provincial departments in charge of commerce shall conduct archive filing and verification management according to

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different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of outbound investment of an enterprise.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) (Order No.11 of the NDRC, promulgated on December 26, 2017 and taking effect on March 1, 2018), a domestic enterprise (the "Investor") within the People's Republic of China making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects (the "Projects"), reporting relevant information, and cooperating with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned "sensitive project" means a project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalog of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to lists the current sensitive industries in detail.

LABOR AND SOCIAL PROTECTION

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》) (Order No. 24 of the President of the PRC, promulgated on July 5, 1994, amended on August 27, 2009 and December 29, 2018 and taking effect on December 29, 2018), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) (Order No.73 of the President of the PRC, promulgated on June 29, 2007, amended on December 28, 2012 and taking effect on July 1, 2013) and the Regulations on Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) (Order No.535 of the State Council of the PRC, promulgated and taking effect on September 18, 2008), provides for the establishment of labor relationship between employing entities and workers, as well as the concluding, performance, dissolution and revision of the labor contracts. To establish a labor relationship, a written labor contract shall be signed. In the event that no written labor contract is signed at the time when a labor relationship is established, such contract shall be signed within one month after the date when the employment commences.

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) (Order No.25 of the President of the PRC, promulgated on October 28, 2010, amended and taking effect on December 29, 2018), the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) (Order No.710 of the State Council, promulgated on January 22, 1999 and amended and taking effect on March 24, 2019), the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》) (No.504 [1994] the Ministry of Labor, promulgated on December 14, 1994 and taking effect on January 1, 1995), the Regulations on Work-Related Injury Insurance (《工傷保險條例》) (Order No.586 of the State Council, promulgated on April 27, 2003, amended

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on December 20, 2010 and taking effect on January 1, 2011), and the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) (Order No.710 of the State Council, promulgated on April 3, 1999, amended on March 24, 2002 and March 24, 2019 and taking effect on March 24, 2019), employing entity must pay basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund for its employees. If an employing entity fails to go through the formalities or does not pay the full amount as scheduled, the relevant administration department shall order it to make rectification or make up the payment within the prescribed time limit. If the rectification for social insurance registration is not made within the stipulated period, the employing entity shall be imposed a fine. If the payment for social insurance premiums is not made within the stipulated period, the relevant administration department shall impose a fine. If an employing entity fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund account for its employees by the expiration of the time limit, a fine shall be imposed. If an employing entity fails to make the payment and deposit of the housing provident fund within a prescribed time limit, an application may be made to the people's court for compulsory enforcement.

INTELLECTUAL PROPERTY

Patent

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (Order No.55 of the President of the PRC, promulgated on March 12, 1984, amended on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020 and taking effect on June 1, 2021), a patentable invention or utility model must meet three conditions: novelty, inventiveness and practical applicability. The State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a term of 20 years in the case of an invention, a term of ten years in the case of a utility model and a term of 15 years in case of a design, starting from the application date. A third-party user must obtain consent or a proper license from the patent owner to use the patent except for certain specific circumstances provided by law. Otherwise, the use will constitute an infringement of the patent rights.

Trademark

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) (Order No.29 of the President of the PRC, promulgated on August 23, 1982 and amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, and taking effect on November 1, 2019) and the Regulation on the Implementation of Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) (Order No.651 of the State Council of the PRC, promulgated on August 3, 2002 and amended on April 29, 2014 and taking effect on May 1, 2014), trademarks are registered with the Trademark Office of China National Intellectual Property Administration. The Trademark Law of the People's Republic of China adopts the principle of "first to file" while handling trademark registration.

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Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or pending in application for use in the same or similar category of commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period. Trademark license agreements must be filed with the Trademark Office. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies 《境內企業境外發行證券和上市管理試行辦法》 (China Securities Regulatory Commission Announcement [2023] No. 43) (the “**Measures for Overseas Offering and Listing**”), which became effective from March 31, 2023. The Measures for Overseas Offering and Listing require that no overseas offering and listing shall be made under any of the following circumstances: (i) where such listing and financing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended overseas securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; and (v) where there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder or actual controller. As advised by our PRC Legal Advisor, there is no restriction which prohibits us from overseas [REDACTED] of our securities.

Pursuant to the Measures for Overseas Offering and Listing, domestic companies who seek for overseas offering and listing directly or indirectly or have their securities listed and traded in offshore markets, including (1) limited companies registered and established in the PRC; or (2) companies whose major business operations are located domestically and such offering and listing is based on the underlying equity, assets, earnings or other similar rights, shall fulfill the filing procedure with the CSRC within three business days after the relevant application is submitted overseas. If the filing procedures are not fulfilled, the CSRC shall order rectification, issue warnings to such domestic company, and impose a fine of between RMB1,000,000 and RMB10,000,000.

Pursuant to the Notice of Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies by the CSRC on February 17, 2023, domestic companies which had obtained the approval from the CSRC in relation to the overseas public offering and listing (including additional issuance) of securities of joint stock companies, shall

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continue to conduct overseas offering and listing within the validity period of the approval. If domestic companies do not complete overseas offering and listing within the validity period, they shall fulfill the filing procedure as required. On November 25, 2022, we obtained the approval from the CSRC regarding the [REDACTED] which will be valid until November 24, 2023. Based on the above, our PRC Legal Adviser is of the view that, we do not need to fulfill the filing procedures for the [REDACTED] and [REDACTED] when our Company completes the [REDACTED] before the expiration of the approval; while we still need to fulfill the filing procedures for the [REDACTED] and [REDACTED] under the requirements of the Measures for Overseas Offering and Listing when our Company fails to complete the [REDACTED] and [REDACTED] before the expiration of the approval.

Cybersecurity

On December 28, 2021, the Cyberspace Administration of China and several other administrative departments issued the Measures for Cybersecurity Review (網路安全審查辦法), which has been implemented on February 15, 2022. The Measures for Cybersecurity Review requires that critical information infrastructure operators that purchase network products and services and data processing operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review in accordance to the measures. Among them, “network products and services” mainly refer to core network equipment, important communication products, high-performance computers and servers, large-scale storage area equipment, large-scale database and application software, network security equipment, cloud computing services, and other critical network products and services that have a significant impact on information infrastructure security, network security and data security.

The Measures for Cybersecurity Review provided that: (1) network platform operators who possess personal information of over a million users shall apply to the Cybersecurity Review Office for cybersecurity reviews before listing in a foreign country; (2) operators of critical information infrastructure purchasing network products and services, and data processors carrying out data processing activities that will or may affect national security, shall conduct cybersecurity review in accordance with the measure; (3) operators of critical information infrastructure, before purchasing network products and services, shall prejudge the national security risks that may arise after the products and services are put into use. If such products and services will or may affect national security, the operator shall apply for a cybersecurity review to the Cybersecurity Review Office.

The Group is principally engaged in specialized industrial construction business, specialized auxiliary construction business, other construction and non-construction business, does not involve data collection and process business, and does not handle personal data of over 1 million users. As of the Latest Practicable Date, the Group should not be regarded as network platform operator for the following reasons: (1) the PRC Cybersecurity Law defines network platform operator as “the owner, administrator of the network and network service provider (網絡的所有者、管理者和網絡服務提供者)”, and as mentioned above, the Group principally engages in specialized industrial construction business, specialized auxiliary

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construction business, other construction and non-construction business, so the Group does not constitute a network platform operator as stipulated by the PRC Cybersecurity Law; and (2) Measures for Cybersecurity Review (網絡安全審查辦法) 2021 does not provide a definition of network platform operator; and (3) during the Track Record Period and up to the Latest Practicable Date, the Group has not yet received any notification from any PRC regulatory authorities (including the Cybersecurity Review Office) that the Group is identified as a network platform operator. We also enquired with and informed the China Cybersecurity Review Technology and Certification Centre (中國網絡安全審查技術與認證中心) on October 31, 2022 of our proposed [REDACTED] as a construction company, and was advised that our Group will not be subject to cybersecurity review in respect of the proposed [REDACTED]. As advised by our PRC Legal Advisor, the China Cybersecurity Review Technology and Certification Centre is the government authority responsible for matters in relation to cybersecurity. Based on the advice given by the PRC legal Advisor, nothing has come to the attention of the Directors and the Joint Sponsors that the Measures for Cybersecurity Review is applicable to the Group. Accordingly, the Measures for Cybersecurity Review will not have a material impact on the [REDACTED] of the Group.