This section provides an overview of the major PRC laws, regulations and rules relevant to our business. The information contained herein shall not be interpreted as a comprehensive summary of all laws and regulations applicable to us.

PRIMARY REGULATORY AUTHORITY

Our company is mainly engaged in providing intelligent visual products and system solutions that integrate "LED+" technology which falls under the semiconductor optoelectronics industry. The industry's governing body is the Ministry of Industry and Information Technology of the People's Republic of China (hereinafter referred to as the "**MIIT**").

The main responsibilities of the MIIT include formulating guiding industrial policies, drafting pertinent legislative and regulatory proposals and establishing rules, among others, to guide the development of the industry.

The industry association to which our company belongs is the China Optics and Optoelectronics Manufacturers Association (hereinafter referred to as "**COEMA**"). The COEMA, established with the approval of the State Council and managed by the MIIT, primarily engages in industry research and academic exchanges, and conducts self-regulatory management of the industry.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

Company Law of the People's Republic of China

The Company Law of the People's Republic of China (《中華人民共和國公司法》) was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and implemented on July 1, 1994, amended and implemented on October 26, 2018, and last amended on December 29, 2023 and implemented on July 1, 2024. According to the Company law of the People's Republic of China, companies are generally divided into two categories: limited liability companies and joint stock companies. The Company Law of the People's Republic of China also applies to foreign-invested joint stock companies.

Foreign Investment Law of the People's Republic of China and Implementation Regulation of the Foreign Investment Law of the People's Republic of China

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) was promulgated by the National People's Congress on March 15, 2019, and implemented on January 1, 2020. The Implementation Regulation of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) was promulgated by the State

Council on December 26, 2019, and implemented on January 1, 2020. The aforementioned law and regulation establish the principles and measures designed to encourage foreign investments in China and clearly stipulate that China provides legal protection for the investments, profits and other legitimate rights and interests of foreign investors in China.

Special Administrative Measures (Negative List) for the Access of Foreign Investment

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單) (2021年版)》) was promulgated by the MOFCOM and the NDRC on December 27, 2021, and implemented on January 1, 2022. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) was promulgated by the MOFCOM and NDRC on September 6, 2024 and will be implemented on November 1, 2024. The Special Administrative Measures (Negative List) for the Access of Foreign Investment comprehensively enumerates restrictive measures pertaining to foreign investment access, which include equity percentage requirements and executive qualifications, and industries where foreign investment is prohibited. The Negative List (2021) covers 12 industries, and foreign and domestic investments are managed uniformly under the principle of national treatment for industries not included.

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

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》) (hereinafter referred to as the "**Overseas Listing Trial Measures**") were promulgated by the CSRC on February 17, 2023, and implemented on March 31, 2023. According to these Trial Measures, issuers seeking an initial public offering or listing abroad must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad. From February 17, 2023, the CSRC ceased to accept administrative license applications for overseas public offerings and listings (including additional issues) by joint stock companies and began to accept communication on filing applications. From March 31, 2023, the CSRC started to receive filing applications.

Pursuant to the aforementioned regulations, issuers are prohibited from overseas offering and listing if they fall under one of the following circumstances: (1) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) 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; (4) 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; (5) 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 and/or actual controller.

Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC, submit a filing report, legal opinion, and other relevant materials and provide truthful, accurate and complete information on the shareholders, among other details.

Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision)

The Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision) (《H股公司境內未上市股份申請"全流通"業務指引(2023修訂)》) were issued and implemented by the CSRC on August 10, 2023. According to these guidelines, domestic unlisted joint stock companies may file with the CSRC for "full circulation" simultaneously with their initial public offerings or listings in overseas markets.

Measures for the Administration of Overseas Investments and Measures for the Administration of Enterprises' Overseas Investments

The Measures for the Administration of Overseas Investments (《境外投資管理辦法》) were issued by the MOFCOM on September 6, 2014, and implemented on October 6, 2014. The Measures for the Administration of Enterprises' Overseas Investments (《企業境外投資管理辦法》) were issued by the NDRC on December 26, 2017, and implemented on March 1, 2018.

According to these Measures, overseas investment refers to investment activities by domestic enterprises, directly or through their controlled overseas enterprises, by injecting assets, equity, providing financing, guarantees, etc., to acquire ownership, control rights, management rights and other relevant rights abroad. The scope of approval management includes sensitive projects undertaken directly or through their controlled overseas enterprises of the investing entities. The MOFCOM and the commerce departments at provincial levels are responsible for the administration and supervision of overseas investments. Depending on the different circumstances of enterprises' overseas investments, they either implement filing or approval management. Enterprises' overseas investments involving sensitive countries and regions or sensitive industries, are subject to approval management by the NDRC. Other overseas investments by enterprises are subject to filing management.

The MOFCOM and the commerce departments at provincial levels manage enterprises' overseas investments through the "Overseas Investment Management System" and issue the Certificate of Overseas Investment by Enterprises to enterprises that have obtained filing or approval.

LAWS AND REGULATIONS ON LABOR PROTECTION

Labor Law of the People's Republic of China

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》) was promulgated by the Standing Committee of the National People's Congress on July 5, 1994, implemented on January 1, 1995, and most recently revised and implemented on December 29, 2018. The Labor Law of the People's Republic of China stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

Labor Contract Law of the People's Republic of China and Implementation Regulation of the Labor Contract Law of the People's Republic of China

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) was issued by the Standing Committee of the National People's Congress on June 29, 2007, implemented on January 1, 2008, and most recently revised on December 28, 2012, with the revision taking effect on July 1, 2013. The Implementation Regulation 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》) were issued and implemented by the State Council on September 18, 2008. According to the aforementioned law and regulation, a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

Social Insurance Law of the People's Republic of China and Provisional Regulations on Collection and Payment of Social Insurance Premiums

The Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) was promulgated by the Standing Committee of the National People's Congress on October 28, 2010, and most recently revised and implemented on December 29, 2018. The Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) was issued and implemented by the State Council on January 22, 1999, and revised and implemented on March 24, 2019. According to the aforementioned law and regulation, employers

are required to pay social insurance premiums for employees in full, including pension, unemployment, maternity, work-related injury and medical insurance. Employers who fail to register for social insurance shall be ordered by the social insurance administrative department to rectify it within a prescribed period. Those who fail to rectify within the prescribed period shall be liable for a fine one to and three times the amount of the payable social insurance premiums, and the directly responsible supervisors and other directly responsible personnel shall be liable for a fine ranging from RMB500 to RMB3,000. Employers who fail to pay social insurance premiums in full and on time shall be ordered by the social insurance premium collection agency to pay or make up the payment within a prescribed period. From the date of the arrears, a late fee of 0.05% per day will be charged; if no rectification was made upon expiry of such prescribed period, the relevant administrative department may impose a fine of one to three times the amount of the arrears.

Regulations on Management of Housing Provident Fund

The Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) was issued by the State Council on April 3, 1999, and most recently revised and implemented on March 24, 2019. According to the aforementioned regulation, when an employer hires an employee, it must register for housing provident fund contributions with the housing provident fund management center within 30 days from the date of employment and handle the establishment or transfer of the employee's housing provident fund account. If an employer fails to pay or underpays the housing provident fund within the prescribed time, the housing provident fund management center shall order the employer to pay upon expiry of such period. If the employer still fails to pay after the deadline, the management center may apply to a people's court for compulsory enforcement.

Interim Provisions on Labor Dispatch

The Interim Provisions on Labor Dispatch (《劳務派遣暫行規定》) were issued by the Ministry of Human Resources and Social Security on January 24, 2014, and implemented on March 1, 2014. According to these provisions, secondment employers can only engage dispatched workers for temporary, auxiliary or substitute job positions. Secondment employers should strictly restrict the number of dispatched workers engaged, and the number of dispatched workers shall not exceed 10% of the total workforce. Employers engaging workers in the form of labor dispatch under the guise of contracting, outsourcing or other forms shall be processed in accordance with these provisions.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax Law of the People's Republic of China, Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China and Measures for the Administration of Recognition of High and New Technology Enterprises

The Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) was promulgated by the Standing Committee of the National People's Congress on March 16, 2007, implemented on January 1, 2008, and most recently revised and implemented on December 29, 2018. The Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) were issued by the State Council on December 6, 2007, implemented on January 1, 2008, and most recently revised and implemented on April 23, 2019. The Measures for the Administration of Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) were issued by the Ministry of Science and Technology, Ministry of Finance, and State Administration of Taxation on January 29, 2016, and implemented on January 1, 2016. According to these laws and regulations, both resident and non-resident enterprises are subject to a uniform enterprise income tax rate of 25%. Enterprises certified as High and New Technology Enterprises are subject to a tax rate of 15%, while qualified small and low-profit enterprises are subject to a 20% rate. However, non-resident enterprises without establishments or places of business in China, or those whose income have no actual connection with their establishments or places of business in China, shall pay enterprise income tax at the rate of 20% on their income sourced from within China.

Circular of the State Administration of Taxation on Issues Concerning the Implementation of Dividend Clauses in Tax Treaties

Issued and implemented by the State Administration of Taxation on February 20, 2009, the Circular of the State Administration of Taxation on Issues Concerning the Implementation of Dividend Clauses 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》) stipulates that when a Chinese resident company pays dividends to a resident of a tax treaty counterpart, and the recipient (or the beneficiary of the dividends) is the beneficial owner of the dividends, the recipient is entitled to the preferential treatment under the tax treaty, i.e., the income tax in China is calculated at the rate specified in the tax treaty in China. If the treaty rate is higher than the domestic tax rate of China, the taxpayer may still be taxed according to Chinese domestic tax laws. If the resident of a tax treaty counterpart directly owns a certain percentage of the capital (generally 25% or 10%) of the Chinese resident company paying the dividends, the dividends received by the resident of a tax treaty counterpart will be taxed at the treaty-specified rate.

Announcement of the State Administration of Taxation on Issues Concerning the "Beneficial Owner" in Tax Treaties

Published by the State Administration of Taxation on February 3, 2018, and implemented on April 1, 2018, 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》) defines the "beneficial owner" in the dividend, interest and royalties articles of double taxation avoidance agreements signed by the PRC government as a person who has ownership and control over the income or the rights or property from which the income is derived. The determination of the status of a "beneficial owner" who is a resident of a treaty counterpart seeking treaty benefits should be made based on the factors listed in the Announcement, combined with a comprehensive analysis of the specific circumstances of each case.

Administrative Measures for Non-resident Taxpayers to Enjoy Treaty Benefits

Issued by the State Administration of Taxation on October 14, 2019, and implemented on January 1, 2020, the Administrative Measures for Non-resident Taxpayers to Enjoy Treaty Benefits (《非居民納税人享受協定待遇管理辦法》) state that non-resident taxpayers who enjoy treaty benefits should handle them through a process of "self-assessment, declaration of entitlement, and retention of relevant materials for future reference." A non-resident taxpayer who determines that he or she meets the conditions for enjoying treaty benefits may enjoy such benefits at the time of tax declaration or through the withholding agent at the time of withholding declaration. Non-resident taxpayers should also collect and retain relevant materials according to the provisions of the Administrative Measures and accept subsequent management by the tax authorities.

The Fifth Protocol of the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

The Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on 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》) was issued and implemented by the State Administration of Taxation and the Government of the Hong Kong Special Administrative Region on August 21, 2006, and the Fifth Protocol of the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on 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>第五議定書》) was officially signed in Beijing on July 19, 2019, and came into effect on December 6, 2019. According to these regulations, if a Hong Kong resident enterprise directly holds at least 25% of

the capital of a Chinese resident enterprise, the tax rate on dividends paid by the Chinese resident enterprise to the Hong Kong resident enterprise shall be 5% of the total dividends; in other cases, the rate shall be 10% of the total dividends.

Provisional Regulations of the People's Republic of China on Value-Added Tax, Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-Added Tax, Circular on Adjusting Value-Added Tax Rates and Announcement on Policies Related to Deepening Value-Added Tax Reform

The Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值税暫行條例》) were issued by the State Council on December 13, 1993, implemented on January 1, 1994, and most recently revised and implemented on November 19, 2017. The Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值税暫行條例實施細則》) were issued by the Ministry of Finance on December 25, 1993, and most recently revised on October 28, 2011, and came into force on November 1, 2011. The Circular on Adjusting Value-Added Tax Rates (《關於調整增值税税率的通知》) was issued and implemented by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, and implemented on May 1, 2018. The Announcement on Policies Related to Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) was issued by the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs on March 20, 2019, and implemented on April 1, 2019. According to these regulations, rules, circulars and announcements, all enterprises and individuals engaging in the sale of goods or providing processing, repair and replacement services, sales services, intangible assets, real estate and import of goods in China are subject to value-added tax; from April 1, 2019, the generally applicable VAT rates are 13%, 9%, 6% and 0%, with a VAT rate of 3% applicable to small-scale taxpayers.

PRC LAWS AND REGULATIONS ON REAL ESTATE

Civil Code of the People's Republic of China

The Civil Code of the People's Republic of China (《中華人民共和國民法典》) was promulgated by the National People's Congress on May 28, 2020, and implemented on January 1, 2021. According to the Civil Code, the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property.

Land Administration Law of the People's Republic of China

The Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) was first issued by the Standing Committee of the National People's Congress on June 25, 1986, most recently revised and issued on August 26, 2019, and implemented on January 1, 2020. Pursuant to the Land Administration Law, construction entities that have obtained state-owned land use rights through paid leasing must pay the land use right leasing fees and other fees and expenses in accordance with the standards and methods prescribed by the State Council before they can use the land. Construction entities using state-owned land must use the land in accordance with the provisions of the contract for paid use of leased land use right or according to the provisions of the documents of approval concerning the allocation of land use right. If it is necessary to change the purpose of the land use, approval must be obtained from the competent natural resources department of the relevant people's government and from the people's government that originally approved the land use. For urban planned areas, changing land use requires prior consent from the relevant urban planning administrative department before seeking approval.

Regulations for the Implementation of the Land Administration Law of the People's Republic of China

The Regulations for the Implementation of the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》) were first issued by the State Council on January 4, 1991, most recently revised on July 2, 2021, and implemented on September 1, 2021. According to these regulations, the use of state-owned land by the construction entities shall be acquired by way of paid use, except for those that can be obtained through allocation as stipulated by laws and administrative regulations. Methods of paid use of state-owned land include (i) transfer of state-owned land use rights; (ii) leasing of state-owned land; and (iii) contribution or equity participation in state-owned land use rights.

Interim Regulations on Real Estate Registration

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) were first issued by the State Council on November 24, 2014 and implemented on March 1, 2015, and most recently revised on March 10, 2024 and implemented on May 1, 2024. According to these regulations, real estate shall be registered based on real estate unit. Each real estate unit has a unique code. Real estate registration authorities shall establish a unified real estate register in accordance with the provisions of the competent department of natural resources of the State Council. The real estate register shall record the following: (i) natural conditions of the real estate such as location, boundaries, spatial limits, acreage and usage; (ii) property conditions of the real estate rights such as ownership, type, content, source, term, changes in rights; (iii) matters related to restrictions and warnings on real estate rights; and (iv) other relevant matters.

Interim Regulations on the Granting and Assignment of Urban State-Owned Land Use Rights of the People's Republic of China

The Interim Regulations on the Granting and Assignment of Urban State-Owned Land Use Rights of the People's Republic of China (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) were first issued by the State Council on May 19, 1990, and most recently revised and implemented on November 29, 2020. According to these regulations, the assignment of land use rights refers to the act of the state, in its capacity as the landowner, assigns the land use right for a certain period to land users, who in turn pay fees for the assignment thereof to the state. An assignment contract must be signed for assigning the land use rights. Land users shall develop, utilize and manage the land in accordance with the provisions of the contract for the assignment of land use right and the requirements of urban planning. If the land is not developed and used within the period and conditions as stipulated in the contract, the land administration departments under the people's governments at the municipal and county levels shall rectify the purpose of the situation and may impose penalties, including warnings, fines or the uncompensated reclamation of land use rights, depending on the circumstances. If a land user needs to change the land use as stipulated in the contract for the assignment of land use right, it shall obtain the consent of the grantor and the approval of the land administration department and urban planning department, sign a new contract for the assignment of land use right, adjust the amount of the assignment fee, and complete the registration.

Measures for the Administration of Commodity Housing Leasing

The Measures for the Administration of Commodity Housing Leasing (《商品房屋租賃管理辦法》) were issued on December 1, 2010 and implemented on February 1, 2011. According to these measures, parties to a housing lease shall enter into a lease contract in accordance with the law. The content of the housing lease contract shall be agreed upon by both parties.

Regulations on the Approval and Filing Management of Enterprise Investment Projects and Measures for the Approval and Filing Management of Enterprise Investment Projects

The Regulations on the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) were promulgated on November 30, 2016, and implemented from February 1, 2017. The Measures for the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) were issued on March 8, 2017, and implemented on April 8, 2017 and amended by the Decision of the National Development and Reform Commission on Revision of Regulations and Administrative Normative Documents on Investment Management (《國家發展改革委關於修訂投資管理有關規章和行政規範性文件的決定》) issued on March 23, 2023 and implemented on May 1, 2023. According to these regulations and measures, projects related to national security, significant national productivity

layouts, strategic resource development and major public interests are subject to approval management. The determination of specific projects and approval authority is governed by the investment project catalog approved by the government. This catalog is proposed by the investment authority under the State Council in conjunction with relevant departments of the State Council, implemented following the State Council's approval, and adjusted periodically. Except for special provisions, other projects are subject to filing management, typically following the principle of territoriality, with local governments stipulating the filing authorities and their powers.

Project approval and filing are primarily conducted through the national online project monitoring platform ("**Online Platform**"), which is jointly used by approval authorities, filing authorities and other relevant departments.

Should there be significant changes to a project after filing or if the project is given up, the project entity shall promptly notify the filing authority through the Online Platform and update relevant information. Projects under filing management shall also complete other procedures stipulated by laws and regulations before commencing work.

Urban and Rural Planning Law of the People's Republic of China

The Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》) was first promulgated by the Standing Committee of the National People's Congress on October 28, 2007 and most recently revised and implemented on April 23, 2019. In accordance with the aforementioned legal provisions, within urban and town planning areas where the use rights of state-owned land are provided through transfer, the urban-rural planning departments of the urban and county people's government must determine the conditions such as the location, intended use and development intensity of the land parcels based on detailed plans before the transfer of state-owned land use rights. These conditions form part of the land transfer contract and land parcels without planning conditions cannot be transferred. For construction projects that acquire state-owned land use rights through transfer, the construction entity must, after obtaining approval, authorization, filing documentation for the construction project and signing the state-owned land use rights transfer contract, obtain a construction land planning permit from the urban-rural planning departments of the urban and county people's government. Planning departments are not permitted to arbitrarily change the planning conditions stipulated in the land transfer contract.

For construction of buildings, roads, pipelines and other engineering projects within urban and town planning areas, construction entities or individuals must apply for a construction project planning permit from corresponding government planning departments and submit documents proving the use of the land and the construction project design proposal. Projects that comply with planning will obtain the planning permit. Relevant government departments shall publish the overall layout of the approved detailed plan and construction project design proposal.

Construction Law of the People's Republic of China

The Construction Law of the People's Republic of China (《中華人民共和國建築法》) was first promulgated by the Standing Committee of the National People's Congress on November 1, 1997, and most recently revised and implemented on April 23, 2019. According to the Construction Law, before the commencement of construction work, the construction entity shall apply for a construction permit from the construction administrative department of the people's government at or above the county level where the project is located in accordance with relevant rules of the state, except for small-scale projects below the limit determined by the construction administrative department of the State Council. Construction projects approved for commencement according to the authority and procedures prescribed by the State Council are exempted from obtaining a construction permit. Construction entities should commence construction within three months from the date of receiving the construction permit. If the construction entity is unable to start construction as scheduled due to unforeseen circumstances, an application for an extension should be made to the issuing authority. The deadlines shall not be extended for more than two times and each extension shall not exceed three months. If construction does not commence without applying for an extension or exceeds the extension limit, the construction permit shall become void.

Administrative Measures for Construction Permits of Building Engineering

The Administrative Measures for Construction Permits of Building Engineering (《建築工程施工許可管理辦法》) were first issued by the former Ministry of Construction of the PRC in 1999, and were most recently revised and implemented by the Ministry of Housing and Urban-Rural Development of the PRC (hereinafter referred to as the **MOHURD**) on March 30, 2021. According to these measures, construction entities engaging in the construction and renovation of various types of buildings and their ancillary facilities, as well as the installation of corresponding lines, pipelines, and equipment and the construction of urban municipal infrastructure projects within the territory of the PRC, shall apply for a construction permit from the competent housing and urban-rural construction department of the local people's government at or above the county level where the project is located before commencing work.

Building projects with an investment of less than RMB300,000 or a construction area of less than 300 sq.m. may be exempt from applying for a construction permit. The department in charge of housing and urban-rural development under the people's government of provinces autonomous regions and municipalities directly under the central government may adjust the threshold according to local conditions and report to the Ministry of Housing and Urban-Rural Development of the State Council for record.

Construction projects approved for commencement in accordance with the authority and procedures prescribed by the State Council are exempt from obtaining a construction permit.

Regulations on Quality Management of Construction Projects

The Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) were first issued and implemented by the State Council on January 30, 2000, and most recently revised and implemented on April 23, 2019. According to these regulations, construction entities must contract their projects to entities with corresponding qualification. Construction entities shall not divide the construction project into parts for contracting. Construction entities must legally tender the survey, design, construction, supervision, and procurement of important equipment and materials related to construction projects.

Administrative Measures for the Record-filing of Completion Acceptance of Building Construction and Municipal Infrastructure Projects

The Administrative Measures for the Record-filing of Completion Acceptance of Building Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) were issued and implemented by the MOHURD on October 19, 2009. According to these measures, construction entities shall file with the construction department of the local people's government at or above the county level where the project is located (hereinafter referred to as the filing authority) within 15 days from the date of completion and qualified acceptance of the project, in accordance with these measures. The filing authority, upon receiving the record-filing documents of completion and acceptance submitted by the construction entity and verifying the completeness of the documents, shall sign for receipt on the record-filing form of completion and acceptance of the project. The quality supervision entity for the project shall submit a quality supervision report to the filing authority within 5 days from the date of completion and acceptance of the project.

Regulations on Completion Acceptance of Housing Construction and Municipal Infrastructure Projects

The Regulations on Completion Acceptance of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收規定》) were promulgated and implemented by the MOHURD on December 2, 2013. Under these regulations, the construction entity is responsible for organizing and implementing the completion and acceptance of a project. Construction projects can proceed to completion and acceptance inspection only if they meet the following requirements: The project must complete all the contents stipulated in the design and contract. The construction entity must verify the quality of the project, ensure compliance with regulations and standards and submit a completion report. Supervision projects require a quality assessment report. Survey and design entities must review documents and design changes and issue a quality report. There must be complete technical records, construction management data, test reports and quality data for major building materials, components and equipment. The construction entity must make payments for the project, and the construction entity must provide a quality warranty. Residential projects must undergo individual household acceptance inspections and issue acceptance forms. All issues directed by the construction regulatory departments and quality supervision institutions must be rectified, fulfilling other conditions stipulated by laws and regulations.

Administrative Measures for the Granting and Transfer of Urban State-Owned Land Use Rights

The Administrative Measures for the Granting and Transfer of Urban State-Owned Land Use Rights (《城市國有土地使用權出讓轉讓規劃管理辦法》) were originally issued by the former Ministry of Construction on December 4, 1992, and subsequently revised on January 26, 2011, by the Decision on Abolishing and Amending Certain Regulations of the Ministry of Housing and Urban-Rural Development (《住房和城鄉建設部關於廢止和修改部分規章的決定》). According to these measures, contracts for the granting and transfer of urban state-owned land use rights must include planning and design conditions along with drawings. These conditions and drawings cannot be unilaterally altered by either the grantor or the grantee. Any necessary modifications during the granting and transfer process require approval from the urban planning administrative department. Grantees with a land grant contract are required to apply for a construction land planning permit from the urban planning administrative department in accordance with the law and can only apply for the land use right certificate after obtaining this permit.

PRC LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent Law of the People's Republic of China and Detailed Rules for the Implementation of the Patent Law of the People's Republic of China

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) was enacted by the Standing Committee of the National People's Congress on March 12, 1984, implemented on April 1, 1985, and most recently revised on October 17, 2020, with implementation from June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) were issued by the State Council on June 15, 2001, implemented on July 1, 2001, and most recently revised on December 11, 2023, with implementation from January 20, 2024. According to these laws, regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

Trademark Law of the People's Republic of China and Regulations for the Implementation of the Trademark Law of the People's Republic of China

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) was promulgated by the Standing Committee of the National People's Congress on August 23, 1982, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Regulations on the Protection of Layout-Designs of Integrated Circuits

The Regulations on the Protection of Layout-Designs of Integrated Circuits (《集成電路布圖設計保護條例》) were issued by the State Council on April 2, 2001, and implemented on October 1, 2001. According to these regulations, natural persons, legal persons or other organizations in China who create layout-designs have exclusive rights to their designs. Foreign persons whose layout-designs are first commercially exploited within the territory of China are also entitled to exclusive rights to their designs. The protection term for the exclusive right of a layout-design is 10 years, calculated from the date of the design registration application or the first date of commercial use anywhere in the world, whichever is earlier. However, a layout-design is no longer protected under these regulations 15 years after its creation, regardless of registration or commercial use.

Internet Domain Name Management Measures

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued by the MIIT on August 24, 2017, and implemented on November 1, 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

PRC LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Foreign Exchange Administration Regulations of the People's Republic of China

The Foreign Exchange Administration Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》) were issued by the State Council on January 29, 1996, implemented on April 1, 1996, and most recently revised and implemented on August 5, 2008. According to these regulations, Renminbi can generally be freely exchanged for current account transactions, such as foreign exchange transactions related to trade and services and dividend payments. However, free exchange for capital account transactions, including capital transfers, direct investments, securities investments, derivatives or loans, are not permitted unless prior approval is obtained from the foreign exchange administration authorities.

Regulations on Foreign Exchange Settlement, Sales and Payment and Notice on Reforming the Foreign Exchange Capital Settlement Management for Foreign-Invested Enterprises

The Regulations on Foreign Exchange Settlement, Sales, and Payment (《結匯、售匯及付匯管理規定》) were issued by the People's Bank of China on June 20, 1996, and implemented on July 1, 1996. The Notice on Reforming the Foreign Exchange Capital Settlement Management for Foreign-Invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) was issued by the State Administration of Foreign Exchange (SAFE) on March 30, 2015. The Notice on Abolishing and Voiding 5 Foreign Exchange Management Normative Documents and 7 Clauses of Foreign Exchange Management Normative Documents (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》) issued and implemented on December 30, 2019, repealed the provision in Article 6 stating "Foreign exchange funds in the special deposit accounts for inward remittances from abroad and inward transfers within the country shall not be settled and used" has been abolished. The Notice on Abolishing and Voiding 15 Foreign Exchange Management Normative Documents and Adjusting 14 Clauses of Foreign Exchange Management Normative Documents (《國家外匯管理局關於廢止和失效15件外匯管理規範性文件及調整14件外匯管理規範性文件條款的通知》) issued and implemented on March 23, 2023, deleted the content under item (1) of Article 7: "For banks that seriously and maliciously violate regulations, their foreign exchange transactions under capital accounts may be suspended according to relevant procedures. For foreign-invested enterprises and others that seriously and maliciously violate regulations, their eligibility for voluntary foreign exchange settlement may be revoked. Furthermore, until they submit a written explanation and make corresponding rectifications, other foreign exchange transactions under capital accounts shall not be processed for them."

According to these regulations, domestic institutions must open foreign exchange accounts with banks authorized to conduct foreign exchange business in their registration area and handle foreign exchange settlement, purchase and payment according to these regulations. Domestic institutions opening foreign exchange accounts in different locations or abroad must apply to SAFE. Foreign-invested enterprises can open foreign exchange settlement accounts with banks authorized to conduct foreign exchange business in their registration area for foreign exchange income under current accounts with approval.

Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses

The Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) was issued and implemented by SAFE on April 10, 2020. According to this notice, enterprises meeting certain conditions are permitted to use income under the capital accounts, including capital funds, foreign debts and overseas listing proceeds, for domestic payments without

needing to provide proof of authenticity to banks in advance, as long as the fund usage is genuine, compliant and in accordance with current capital account income management regulations. Handling banks shall manage and control relevant business risks following the principle of prudent operation and conduct post-hoc spot checks afterwards on the payment facilitation business for income under the capital account handled by them according to relevant requirements.

Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policy for Direct Investment

The Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policy for 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》) was issued by SAFE on February 13, 2015 and implemented on June 1, 2015, which was partially repealed by the Notice on Abolishing and Voiding 5 Foreign Exchange Management Normative Documents and 7 Clauses of Foreign Exchange Management Normative Documents (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》) issued and implemented on December 30, 2019. As per this notice, banks directly review and handle foreign exchange registration under domestic direct investment and foreign direct investment, while SAFE and its branches exercise indirect supervision over foreign exchange registration for direct investments through banks.

PRC LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection Law of the People's Republic of China and Environmental Impact Assessment Law of the People's Republic of China

The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) was promulgated by the Standing Committee of the National People's Congress on September 13, 1979, implemented on the same date, and most recently revised on April 24, 2014, with implementation from January 1, 2015. The Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) was issued by the Standing Committee of the National People's Congress on October 28, 2002, implemented on September 1, 2003, and most recently revised and implemented on December 29, 2018. According to these laws, the state implements classified management of environmental impact assessments for construction projects. Construction entities are responsible for the content and conclusions of the environmental impact assessment documents of their projects. Construction entities cannot commence construction for projects without lawful review and approval by the relevant authorities.

Regulations on Classified Approval of Environmental Impact Assessment Documents for Construction Projects

The Regulations on Classified Approval of Environmental Impact Assessment Documents for Construction Projects (《建設項目環境影響評價文件分級審批規定》) were initially issued by the former State Environmental Protection Administration on November 1, 2002, and most recently revised on January 16, 2009 and implemented on March 1, 2009. As per these regulations, for the construction of projects that have an impact on the environment, regardless of the investment entity, source of funds, project nature and investment scale, the classified approval authority shall be determined based on the environmental impact assessment document. Environmental protection departments at all levels are responsible for the approval of construction project environmental impact assessment documents. The classified approval authority of the environmental impact assessment documents of the construction project shall, in principle, be determined in accordance with the approval, ratification and filing authority of the construction project and the nature and degree of the impact of the construction project on the environment.

Regulations on the Management of Pollutant Discharge Permits and Catalogue for the Classified Management of Fixed Pollution Source Discharge Permits (2019 Edition)

According to the Regulations on the Management of Pollutant Discharge Permits (《排污許可管理條例》) issued by the State Council on January 24, 2021, and implemented on March 1, 2021, and the Catalogue for the Classified Management of Fixed Pollution Source Discharge Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) issued and implemented by the Ministry of Ecology and Environment on December 20, 2019, enterprises, institutions and other manufacturers subject to pollutant discharge permit management as stipulated by law must apply for and obtain a pollutant discharge permit. Without this permit, discharging pollutants is prohibited. Pollutant discharging entities with a significant volume of pollutant generation, emissions or environmental impact are subject to key management of pollutant discharge permits. Those with a smaller volume of pollutant generation, emissions and environmental impact are subject to simplified management. Entities with minimal pollutant generation, emissions and environmental impact are subject to pollutant discharge registration management.

PRC LAWS AND REGULATIONS ON PRODUCTION SAFETY

Work Safety Law of the People's Republic of China

The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) was enacted by the Standing Committee of the National People's Congress on June 29, 2002, most recently revised and issued on June 10, 2021, and implemented on September 1, 2021. According to the Work Safety Law, production and business operation entities must meet the safety

production conditions stipulated by this law, relevant laws, administrative regulations, national standards or industry standards. Entities that do not meet conditions for safe production shall not engage in production and business operations.

Regulations on the Safety Facilities of Construction Projects "Three Simultaneities" Supervision and Management

In accordance with the Regulations on the Safety Facilities of Construction Projects "Three Simultaneities" Supervision and Management (《建設項目安全設施"三同時"監督管理辦法》), issued by the former State Administration of Work Safety on April 2, 2015, and implemented on May 1, 2015, safety facilities of new construction, reconstruction and expansion projects must be designed, constructed and put into operation and use simultaneously with the main project. Enterprises are required to conduct safety pre-evaluations for construction projects, entrust preliminarily designed entities with the corresponding qualifications to design the safety facilities simultaneously, prepare safety facility designs, submit them to relevant production safety supervision and management departments for review applications and apply for the acceptance inspection of safety facilities upon completion.

Fire Protection Law of the People's Republic of China and Interim Regulations on Fire Protection Design Review and Acceptance Management of Construction Projects

The Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) was first enacted by the Standing Committee of the National People's Congress on April 29, 1998, implemented on September 1, 1998, and most recently revised and implemented on April 29, 2021. The Interim Regulations on Fire Protection Design Review and Acceptance Management of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) were first issued by the MOHURD on April 1, 2020, most recently revised on August 21, 2023, and implemented from October 30, 2023.

In accordance with the aforementioned laws and regulations, for construction projects that are required to undergo fire safety acceptance inspections as stipulated by the State Council's housing and urban-rural development authorities, the construction entity must apply for a fire safety acceptance inspection with the housing and urban-rural development authorities. For other construction projects not specified in the previous provision, the construction entity must report to the housing and urban-rural development authorities for filing after the acceptance inspection. Construction projects that are legally required to undergo a fire safety acceptance inspection must not be put into use if they have not undergone such an inspection or if they fail the inspection.

PRC LAWS AND REGULATIONS ON PRODUCT QUALITY

The Product Quality Law of the People's Republic of China

As per the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) enacted by the Standing Committee of the National People's Congress on February 22, 1993, and most recently amended and implemented on December 29, 2018, producers shall be responsible for the quality of their products. The product quality shall meet the following requirements: (i) no unreasonable dangers endangering the safety of persons and property; where there are national or industry standards ensuring the health and safety of persons and property, such standards must be complied with; (ii) the product shall possess the properties it is supposed to possess, except where the product's flaws in their properties are explicitly stated; and (iii) the product shall comply with the product standards stated on the product or its packaging, and meet the quality conditions as represented in product descriptions, physical samples, etc.

PRC LAWS AND REGULATIONS ON CYBERSECURITY AND DATA SECURITY

Data Security Law of the People's Republic of China and the Measures for Security Assessment of Cross-Border Data Transfer

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) was promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and implemented on September 1, 2021. The Measures for Security Assessment of Cross-Border Data Transfer (《數據出境安全評估辦法》) were issued by the Cyberspace Administration of China on July 7, 2022 and implemented on September 1, 2022. According to these laws and measures, data processors providing data to overseas parties must declare a security assessment for cross-border data transfer to the national cyberspace administration through the local provincial cyberspace administration under any of the following circumstances: (i) where a data processor provides critical data abroad; (ii) where a critical information infrastructure operator or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the previous year; and (iv) other circumstances stipulated by the national cyberspace administration for which a declaration for security assessment of cross-border data transfer is required.

The Cybersecurity Law of the People's Republic of China, Regulations on the Security Protection of Critical Information Infrastructure and Cybersecurity Review Measures

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) was promulgated by the Standing Committee of the National People's Congress on November 7, 2016, and implemented on June 1, 2017. The Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) were issued by the State Council on July 30, 2021, and implemented on September 1, 2021. The Cybersecurity Review Measures (《網絡安全審查辦法》) were deliberated and adopted by the Cyberspace Administration of China on November 16, 2021, agreed upon by the NDRC, the MIIT, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance, the MOFCOM, the People's Bank of China, the State Administration for Market Regulation, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration, and implemented on February 15, 2022. According to these laws, regulations and measures, the state implements a graded cybersecurity protection system. Network operators must fulfill their security protection obligations in accordance with the requirements of the graded cybersecurity protection system, ensuring the network is free from interference, destruction or unauthorized access, and preventing network data leakage, theft or tampering. For critical information infrastructure, in addition to the graded cybersecurity protection system, focused protection is implemented. Operators of critical information infrastructure purchasing network products and services and network platform operators engaging in data processing activities that affect or may affect national security, must undergo a cybersecurity review.

PRC LAWS AND REGULATIONS ON THE IMPORT AND EXPORT OF GOODS

Foreign Trade Law of the People's Republic of China and the Measures for the Filing and Registration of Foreign Trade Operators

The Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) was promulgated by the Standing Committee of the National People's Congress on May 12, 1994, implemented on July 1, 1994, and most recently issued and implemented on December 30, 2022, and the Measures for the Filing and Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》) were issued by the MOFCOM on June 25, 2004, implemented on July 1, 2004, and most recently issued and implemented on May 10, 2021. As per these laws, regulations and measures, the state permits the free import and export of goods and technology.

Regulations on the Administration of the Filing of Customs Declaration Entities of the People's Republic of China

The Regulations on the Administration of the Filing of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) were promulgated by the General Administration of Customs on November 19, 2021, and implemented on January 1, 2022. According to these regulations, consignees and consignors of import and export goods and customs declaration enterprises shall obtain the qualifications of market entities if they apply for filing.

The Regulations on the Administration of the Import and Export of Goods of the People's Republic of China

In accordance with the Regulations on the Administration of the Import and Export of Goods of the People's Republic of China (《中華人民共和國貨物進出口管理條例》) issued by the State Council on December 10, 2001, implemented on January 1, 2002, and most recently revised on March 10, 2024 and implemented on May 1, 2024, goods that are prohibited from being imported are not allowed to be imported, and goods that are prohibited from export are not allowed to be exported. A system of quota administration shall be implemented for goods subject to import and export restrictions where the state has stipulated that these goods shall be subject to quantity restrictions. A system of licence administration shall be implemented for all other goods subject to import and export restrictions. The import or export of goods that are free for import or export shall not be restricted.

The Import and Export Commodity Inspection Law of the People's Republic of China and the Implementation Regulations of the Import and Export Commodity Inspection Law of the People's Republic of China

According to The Import and Export Commodity Inspection Law of the People's Republic of China (《中華人民共和國進出口商品檢驗法》) promulgated by the Standing Committee of the National People's Congress on February 21, 1989, and most recently revised and implemented on April 29, 2021, and the Implementation Regulations of the Import and Export Commodity Inspection Law of the People's Republic of China (《中華人民共和國進出口商品檢驗法實施條例》) issued by the former State Bureau of Import and Export Commodity Inspection on October 23, 1992 and most recently amended on March 29, 2022 and implemented on May 1, 2022 by the State Council, consignees or consignors of import and export commodities may handle inspection procedures themselves or entrust an agent inspection application enterprise to do so. When consignees or consignors of import and export commodities handle inspection procedures, they must file with the entry-exit inspection and quarantine authorities in accordance with the law.