LAWS AND REGULATIONS RELATING TO PROPERTY LEASE

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the "Civil Code"), which was approved by the National People's Congress (the "NPC") on 28 May 2020 and came into effect on 1 January 2021, a lease contract is a contract under which the lessor delivers to the lessee the leased object for the lessee to use or benefit therefrom, and the lessee pays the rent for the lease; with the consent of the lessor, the lessee may sublease the leased object to a third party; where the lessee subleases the leased object, the lease contract between the lessee and the lessor shall continue to be valid, and the lessee shall be liable to the lessor for any damage caused to the leased object by the third party.

LAWS AND REGULATIONS RELATING TO PRODUCT LIABILITY AND PROTECTION OF CONSUMERS' RIGHTS

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "Product Quality Law") which was promulgated by the SCNPC on 22 February 1993 and last amended on 29 December 2018, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures. The counterfeiting or imitation of quality marks such as certification marks, falsifying the place of origin of products, and falsifying or imitating the name or address of another factory or adulteration of, or mixing of improper elements with products, passing off the sham as the genuine or passing off the inferior as the superior is prohibited. Any manufacturer or seller who violates the Product Quality Law may be subject to (1) administrative penalties including suspension of production or sale, ordered correction of illegal activities, confiscation of products subject to illegal production or sale, imposition of fines, confiscation of illegal gains and, in severe cases, revocation of business license, and (2) criminal liabilities if the illegal activity constitutes crime.

LAWS AND REGULATIONS RELATING TO SPECIAL EQUIPMENT

Pursuant to the Special Equipment Safety Law of the PRC (《中華人民共和國特種設備安全法》) (the "Special Equipment Safety Law") released by the SCNPC on 29 June 2013 and taking effect on 1 January 2014, "special equipment" includes boilers, pressure vessels (including gas cylinders), pressure pipelines, elevators, lifting machinery, passenger ropeways, large-scale amusement devices, and non-road motor vehicles, which pose a relatively high risk to personal and property safety, as well as other special equipment as provided for by PRC laws and administrative regulations, which generally refers to the equipment provided for under the Special Equipment Catalogue (《特種設備目錄》) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of PRC on 19 January 2004 with the latest amendment taking effect on 30 October 2014.

Special Equipment Safety Law provides that production of special equipment includes design, manufacturing, installment, transform and repair of special equipment, and a licensing system is applied to the production of special equipment under the principle of categorized supervision and administration in the PRC. Special equipment producers, traders or users, as well as the primary persons in charge thereof, shall be responsible for the safety of special equipment produced, marketed or used by them. Special equipment producers, traders and users shall have special equipment safety management personnel, testing personnel and operating personnel according to the relevant state provisions, and provide necessary safety education and skill training for them. Special equipment users shall, before or within 30 days after putting special equipment to use, register the use with the department responsible for special equipment safety supervision and administration, obtain a use registration certificate, and place the registration mark in a conspicuous position of the special equipment.

According to the Special Equipment Safety Law, an entity engaged in repair of special equipment shall meet the following conditions and be licensed by the department responsible for special equipment safety supervision and administration: (1) having professional technical personnel, (2) having equipment, facilities and work places as required by applicable laws and regulations, and (3) having sound quality assurance, safety management and job responsibility rules.

With respecting to leasing of special equipment, the Special Equipment Safety Law provides that special equipment leasing entities may not lease out any special equipment produced without a permit, any special equipment that has been officially phased out and scrapped by the state, or any special equipment not maintained according to the requirements of safety technical specifications or without undergoing inspection or failing to pass inspection. Special equipment leasing entities shall assume the obligations of managing the use of and maintaining special equipment during the leasing period, except as otherwise provided for by law or agreed on by the parties.

The Special Equipment Safety Law also sets out rules regarding inspection and testing of special equipment conducted by agencies. According to the Special Equipment Safety Law, an entity engaging in services with respect to inspection or testing of special equipment shall meet the following conditions and obtain approval from the department responsible for special equipment safety supervision and administration before conducting inspection or testing work: (1) having inspection or testing personnel required for the inspection or testing work; (2) having inspection or testing instruments and equipment required for the inspection or testing work; and (3) having sound inspection or testing management rules and accountability rules. The inspection or testing personnel shall obtain the license to conduct inspection or testing activities.

Pursuant to the Regulations on Safety Supervision of Special Equipment (《特種設備安全監察條例》) promulgated by the State Council on 11 March 2003 with the latest amendment taking effect on 1 May 2009, an entity producing or using special equipment shall establish a sound management system and a post-specific responsibility system for safety and energy conservation of special equipment. An entity producing special equipment shall assume

responsibility for the safety performance and energy efficiency index of special equipment, and shall not produce any special equipment that does not conform to the requirements on the safety performance or energy efficiency index, or any special equipment that is declared eliminated in the national industrial policies.

Pursuant to the Measures for Special Equipment Safety Supervisory Inspections (《特種設備安全監督檢查辦法》), which was promulgated by the SAMR on 26 May 2022 and took effect on 1 July 2022, special equipment safety supervisory inspections shall be classified into routine supervisory inspections, special supervisory inspections, post-licensing supervisory inspections and other supervisory inspections. Market regulatory departments shall, based on annual routine supervisory inspection plans, conduct routine supervisory inspections of special equipment production and relevant entities. Market regulatory departments shall conduct post-licensing supervisory inspections regarding whether the special equipment production and filling entities and inspection and testing institutions that have been licensed by them continuously meet licensing requirements and engage in licensed activities in accordance with applicable laws.

Other than the business license, we are not required to possess any other license for providing special equipment leasing services under the applicable PRC laws and regulations. However, in addition to the intralogistics equipment subscription services, we also provide intralogistics equipment inspection and repair services to our customers, for which services, we shall obtain the Production License of Special Equipment (特種設備生產許可證) as required by applicable PRC laws and regulations. As of the Latest Practicable Date, we and our subsidiary Anhui Folangsi, and Guangzhou Pengze have obtained the Production License of Special Equipment PRC (特種設備生產許可證) for purposes of conducting our business with respect to repair and inspection of special equipment as required by the Special Equipment Safety Law. See "Business – CERTIFICATES, LICENSES AND PERMITS" for details.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) which was promulgated on 29 June 2002 and amended on 27 August 2009, 31 August 2014 and 10 June 2021, production and operation entities shall abide by the Production Safety Law of the PRC and other laws and regulations concerning work safety, and redouble their efforts to ensure work safety by setting up and perfecting the responsibility system for work safety of all employees and rules and regulations on work safety, increasing the input and guarantee of funds, materials, technologies, and personnel in terms of work safety, improving the conditions for work safety, strengthening the development of standards and adoption of information technologies for work safety, building a dual prevention mechanism of level-to-level safety risk management and control and hidden danger identification and management, and perfecting the risk prevention and resolution mechanism, to raise the work safety level and ensure work safety.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May 1994 and was last amended on 30 December 2022 and the "Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods" (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated by the General Administration of Customs of the PRC on 3 January 2023, a consignee or consignor of imported or exported goods who applies for recordation shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on 22 January 1987, and was last amended on 29 April 2021, unless otherwise stipulated, the declaration of import and export goods may be made by the consignees or the consignors, or the entrusted customs brokers. To undergo customs declaration formalities, the consignee or consignor of imported or exported goods and the customs declaration enterprise shall file with the Customs in accordance with the law.

According to the Provisions on the Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs on 19 November 2021 and executed on 1 January 2022, the consignee or consignor of imported or exported goods or a customs declaration enterprise, as filed with the customs (hereinafter referred to as "a customs declaration entity") may undergo customs declaration within the customs territory of the PRC. Where a consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities.

We and our subsidiary Guangzhou Pengze have obtained the PRC Customs Declaration Unit Registration Certificate (海關報關單位註冊登記證書) for import and export of goods. See "Business – CERTIFICATES, LICENSES AND PERMITS" for details.

LAWS AND REGULATIONS RELATING TO REAL ESTATES

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on 25 June 1986 with the latest amendment taking effect on 1 January 2020, the PRC applies a system of control over the purposes of use of land, including land for agriculture, land for construction and unused land. All units and individuals shall use land in strict compliance with the purposes of use defined in the overall plans for land utilization. Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration and the legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals.

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land (《城鎮國有土地使用權出讓和轉讓暫行條例》) promulgated by the State Council on 19 May 1990 with the latest amendment taking effect on 29 November 2020, a system of assignment and transfer of the right to use state-owned land was adopted. A land user shall pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use. Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land, the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate that evidences the acquisition of land use rights.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on 24 November 2014 and amended on 24 March 2019, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Natural Resources of the PRC on 1 January 2016 and amended on 24 July 2019, provide that, among other things, the State implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and came into effect on 1 February 2011, the parties to premise leasing shall, within 30 days after the conclusion of the premise leasing contract, handle the premise leasing registration and filing formalities at the competent government authority, failing which the competent authority may order the parties concerned to register and file the lease in a prescribed period of time, and may impose fines of RMB1,000 or more and up to RMB10,000.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE CONTROL

Environment Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on 26 December 1989 and amended on 24 April 2014, the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) (the "Construction Environmental Protection Rule"), promulgated by the State Council on 29 November 1998 and amended on 16 July 2017, and other relevant environmental laws and regulations, enterprises which plan to construct projects shall provide the assessment reports, assessment form, or registration form on the environmental impact of such projects with relevant environmental protection administrative authority for approval or filing.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on 28 October 2002 and amended on 2 July 2016 and 29 December 2018 respectively, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

The Construction Environmental Protection Rule also requires that upon completion of construction for which an environmental impact report or environmental impact statement is formulated, the constructor shall conduct an acceptance inspection of the environmental protection facilities pursuant to the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, formulate the acceptance inspection report, and announce the acceptance inspection report pursuant to the law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Where the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

Completion and Acceptance

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) (the "Measures") was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on 20 November 2017. The Measures regulates the procedures and standards for environmental protection independent acceptance by construction units upon the completion of construction projects.

Water Pollution and Pollutant Discharge

According to the Measures for the Administration of Pollution Discharge Permits (Trial) (《排污許可管理辦法(試行)》) which was promulgated by the Ministry of Ecology and Environment on 6 November 2017 and amended on 22 August 2019, the MEP shall lawfully formulate and issue the catalogue of classified management of pollutant discharge licenses for stationary pollution sources, and define the scope of stationary pollution sources included in pollutant discharge licensing management and the time limit for the application for pollutant discharge licenses. Enterprises, public institutions and other production operators (the "pollutant discharge entities") included in the catalogue of classified management of pollutant discharge licenses for stationary pollution sources shall apply for and obtain a pollutant discharge license as per the prescribed time limit; and, it is temporarily unnecessary for pollutant discharge entities not included in the catalogue of classified management of pollutant discharge licences for stationary pollution sources to apply for a pollutant discharge license.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the Ministry of Ecology and Environment on 20 December 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

According to the PRC Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on 30 October 1995 with the latest amendment taking effect on 1 September 2020, an entity engaged in the business activities of collecting, storing, utilizing or treating hazardous wastes shall apply for a permit in accordance with applicable laws and regulations; It shall be prohibited to provide or entrust hazardous wastes to an entity or any other producer or trader without a permit to engage in collection, storage, utilization, and treatment.

Fire Control

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "Fire Prevention Law") was adopted on 29 April 1998 and most recently amended on 29 April 2021. According to the Fire Prevention Law and other relevant laws and regulations of the PRC, where the housing and urban-rural development authority under the State Council requires that an application for fire protection final inspection of an as-built construction project should be filed, the construction entity shall file such an application with the housing and urban-rural development authority. For construction projects other than those specified in the preceding paragraph, the construction entity shall report for record to the housing and urban-rural development authority after final inspection, and the housing and urban-rural development authority shall conduct random inspection.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the "Interim Provisions"), issued by the Ministry of Housing and Urban-Rural Development on 1 April 2020 and effective on 1 June 2020, special construction projects as defined under such Interim Provisions shall conduct fire protection design review and fire protection final inspection; construction projects other than such special construction projects shall file protection design and acceptance of the project with competent authority.

LAWS AND REGULATIONS RELATING TO ADVERTISEMENT

Pursuant to the Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC on 27 October 1994, and most recently amended and effective from 29 April 2021, advertisements shall not contain false statements or be deceitful or misleading to consumers.

Pursuant to the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》) ("**the Administration of Internet Advertising**"), which was promulgated by the SAMR on 25 February 2023, and came into force on 1 May 2023, internet advertisements shall be authentic and lawful. Where any law or administrative regulation prohibits the production or sale of a product or the provision of a service or prohibits the advertising of a good or service, no entity or individual may design, produce, serve as an agent for, or publish any advertisement through the Internet. The Administration of Internet Advertising also provides that internet advertisement shall be identifiable, enabling consumers to identify it as an advertisement; for goods or services that appear resulting from paid listing, an advertisement publisher shall clearly indicate "advertisement" to clearly distinguish them from search engine optimization.

LAWS AND REGULATIONS RELATING TO ANTI-BRIBERY

According to the Anti-Unfair Competition Law (《反不正當競爭法》) promulgated by the SCNPC, as amended and effective as of 23 April 2019, and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAIC on 15 November 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or a competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

LAWS AND REGULATIONS RELATING TO CYBER SECURITY AND DATA SECURITY

Regulations Relating to Cyber Security

Internet information in China is regulated and restricted from a national security standpoint. The SCNPC enacted the Decisions on Maintaining Internet Security (《關於維護互聯網安全的決定》) on 28 December 2000 and amended on 27 August 2009, which may subject violators to criminal punishment in China for any effort to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights.

On 13 December 2005, the Ministry of Public Security of the PRC (the "MPS") enacted the Provisions on Technical Measures of the Cyber Security Protection (《互聯網安全保護技術措施規定》) (the "Technical Measures of Cyber Security Protection"), effective as of 1 March 2006. The Technical Measures of Cyber Security Protection sets out several technical measures for the protection of cyber security, including (i) technical measures for preventing any matter or act that may harm the network security; (ii) measures for backing up any redundant disaster of key data base or major systematic equipment; (iii) technical measures for recording and keeping the login and exit time of uses, advocate calls, accounts, internet web

addresses or domain names and log files of system maintenance; and (iv) any other technical measures for the protection of internet security as prescribed by other laws, regulations or rules. According to the Technical Measures of Cyber Security Protection, the providers and entity uses of internet services shall be responsible for carrying out effective technical measures for the protection of cyber security and shall guarantee the functioning of the technical measures for the protection of cyber security.

On 7 November 2016, the SCNPC promulgated the Cyber Security Law of the PRC, or the Cyber Security Law (《網絡安全法》), which became effective on 1 June 2017. The Cyber Security Law requires network operators to comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. The Cyber Security Law further requires network operators to take all necessary measures in accordance with applicable laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

According to the Measures for Cybersecurity Review (《網絡安全審查辦法》) which was jointly promulgated by the CAC and other twelve PRC regulatory authorities on 28 December 2021 and effective on 15 February 2022, (i) the purchase of cyber products and services by critical information infrastructure operators (the "CIIO(s)") and the network platform operators (the "Network Platform Operators") who engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, which is responsible for the implementation of cybersecurity review under the CAC and (ii) the Network Platform Operators possessing personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. Further, the relevant governmental authorities in the PRC may initiate cybersecurity review if such governmental authorities determine the cyber products or services, and data processing activities affect or may affect the national security.

Since as of the date of this document, (i) we only collect and process limited type of data such as operating data of subscribed intralogistics equipment (such as, location, speed, working time), and service process of our technicians in the ordinary course of our business and we have in place a robust data protection policy to ensure our compliance with the applicable laws and regulations, (ii) we are not the CIIO or the Network Platform Operator under the Measures for Cybersecurity Review, (iii) we did not hold, control or process more than one million users' personal information, (iv) we had not been notified by any authority of being classified as a data processor carrying out data processing activities that affect or may affect national security, or that our [**REDACTED**] affects or may affect national security, and (v) we have never been involved in any investigations on cybersecurity review by the CAC, nor have we received any regulatory inquiries, notice, warnings, sanctions or penalties in relation to cybersecurity and data protections regulations, our Directors are of the view that the Measures for Cybersecurity Review will not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

However, we cannot guarantee whether we will be subject to the cybersecurity review in the future if new rules or regulations promulgated in the future impose additional compliance requirements on us. Further, the cybersecurity review office could initiate a cybersecurity review against any entity after completing necessary procedures in accordance with the Measures for Cybersecurity Review, if the members of the cybersecurity review working mechanism consider that an entity's data processing activities affect or may affect national security. The interpretation and application of the Measures for Cybersecurity Review shall be determined in accordance with the then applicable laws and regulations in force.

Regulations Relating to Data Security

On 10 June 2021, the SCNPC promulgated the Data Security Law of People's Republic of China (《中華人民共和國數據安全法》) (the "PRC Data Security Law"), which became effective on 1 September 2021. Pursuant to the PRC Data Security Law, data refers to any record of information in electronic or any other form and data processing, including but is not limited to, the collection, storage, use, processing, transmission, provision, and public disclosure of data. Industrial sector, telecommunications, transportation, finance, natural resources, health, education, science and technology, and other departments shall undertake the duty to supervise data security in their respective industries and fields. The PRC Data Security Law stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by any illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; and it shall not endanger national security, the public interest, or individuals' and organizations' lawful rights and interests.

On 8 December 2022, the MIIT published the Data Security Administration Measures in Industry and Information Technology (Interim) (《工業和信息化領域數據安全管理辦法(試行)》) (the "Industry and Information Technology Measures"), which took effect on January 1, 2023. The Industry and Information Technology Measures requires that industrial and telecom data processors shall manage the industrial and telecom data by three levels according to relevant regulations and shall apply certain administrative rules corresponding to its level during collecting, storing, using, processing, transferring, providing and publicizing such data.

On 7 July 2022, the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》) (the "Data Transmission Measures") was released by the CAC and became effective on 1 September 2022, which requires that any data processor providing important data collected and generated during operations within the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. The Data Transmission Measures provides five circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where the data to be transferred to an overseas recipient are personal information or important data collected and generated by operators of critical information infrastructure; (ii) where the data to be transferred to an overseas recipient contain important data; (iii) where a personal

information processor that has processed personal information of more than one million people provides personal information overseas; (iv) where the personal information of more than 100,000 people or sensitive personal information of more than 10,000 people are transferred overseas accumulatively; or (v) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration.

On 14 November 2021, the CAC publicly solicited opinions on the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), or the Draft Data Security Regulations. According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review if its intended listing in Hong Kong affects or may affect national security. Furthermore, the Draft Data Security Regulations stipulate that data processors processing personal information of more than one million users shall be subject to the various requirements that apply to important data processors.

At present, the Draft Data Security Regulations provide no clear definition of "listed overseas". According to mainstream opinions, "listing overseas" does not include "listing in Hong Kong". In addition, the Draft Data Security Regulations provides no further explanation or interpretation for "affects or may affect national security". It is also possible that there may be major differences between the officially promulgated regulations and the drafted version.

Since as of the date of this document, (i) we only collect and process limited type of data such as operating data of subscribed intralogistics equipment (such as, location, speed, working time), and service process of our technicians in the ordinary course of our business and we have in place a robust data protection policy to ensure our compliance with the applicable laws and regulations, (ii) we did not hold, control or process more than one million users' personal information, (iii) we had not been notified by any authority of being classified as a data processor carrying out data processing activities that affect or may affect national security, or that our [**REDACTED**] affects or may affect national security, and (iv) we have never been involved in any investigations on cybersecurity review by the CAC, nor have we received any regulatory inquiries, notice, warnings, sanctions or penalties in relation to cybersecurity and data protections regulations, our PRC Legal Adviser did not foresee any material impediment for us to comply with the relevant requirements if the Draft Data Security Regulations are implemented in their current form.

However, since the Draft Data Security Regulations have been solicited public opinions recently and some of the requirements shall be subject to more specific rules, the requirements under the Draft Data Security Regulations on our business shall be determined in accordance with the then applicable laws and regulations in force. Therefore, it is hard for the PRC Legal Adviser to preclude the possibility that new rules or regulations promulgated in the future will impose additional compliance requirements on us which we may be unable to comply with. As advised by the PRC Legal Adviser, we shall pay close attention to legislative developments of the Draft Data Security Regulations as well as its specific provisions or implementation standards. After the Draft Data Security Regulations and relevant rules come into effect, we shall strictly follow the requirements under the applicable legal requirements at that time accordingly.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the PRC (《中華人民共和國商標法》) which was amended by the SCNPC on 23 April 2019 and came into effect on 1 November 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which was adopted by the State Council on 3 August 2002 and amended on 29 April 2014, stipulate the application, examination and approval, renewal, alternation, transfer, use and invalidation of trademark registration, and protect the trademark rights entitled to trademark registrants. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Office under the State Administration for Industry and Commerce of the PRC (the China National Intellectual Property Administration has been established to undertake the duties of the Trademark Office in March 2018) handles trademark registrations and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. An application of registration renewal shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office for record. 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. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law"), promulgated by the SCNPC on 12 March 1984 and most recently amended on 17 October 2020 and taking effect on 1 June 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "Implementation Rules of the Patent Law"), the patent administrative department under the State Council is responsible for the administration of patent-related work nationwide and the patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective administrative areas. The Patent Law and Implementation Rules of the Patent Law provide for three types of patents, namely "inventions," "utility models" and "designs." Invention patents are valid for twenty years, while utility model patents and design patents are valid for ten years and fifteen years, respectively, in each case from the date of application. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third Parties must obtain consent or a proper license from the patent owner to use the patent.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) which was promulgated by the SCNPC on 7 September 1990 and last amended on 11 November 2020 and came into effect on 1 June 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on 20 February 2002, and the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on 4 June 1991 and amended on 30 January 2013 and taking effect on 1 March 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on 24 August 2017 and taking effect on 1 November 2017, establishing any domain name root server and institution for operating domain name root servers, managing the registration of domain name and providing registration services in relation to domain name within the territory of China shall be subject to the approval of the MIIT or provincial, autonomous regional and municipal communications administration. The registration of domain name shall follow the principle of "first apply, first register." The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on 27 November 2017 and taking effect on 1 January 2018 specifies the obligation of anti-terrorism and maintaining network security of internet information service providers.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Labor Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) issued by the SCNPC on 5 July 1994, most recently amended on 29 December 2018 and taking effect on the same day, every employer must ensure workplace safety and sanitation in accordance with national regulations, provide relevant training to its employees, prevent accidents in the process of work, and lessen occupational hazards.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) issued by the SCNPC on 29 June 2007, amended on 28 December 2012 and taking effect on 1 July 2013, requires every employer to enter into a written contract of employment with each of its employees. No employer may force its employees to work beyond the time limit and each employer must pay overtime compensation to its employees. The wage of each employee is to be no less than the local standard on minimum wages.

Regulations on Social Insurance and Housing Provident Funds

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) issued by the SCNPC on 28 October 2010, last amended on 29 December 2018 and taking effect on the same day, as well as other relevant provisions, an employee shall participate in five types of social insurance funds, including pension, medical, unemployment, maternity and occupational injury insurance. If the employer fails to fully contribute to social insurance funds on time, the collection agency for such social insurance may demand the employer to make full payment or to pay the shortfall within a set period and collect a late charge. If the employer fails to pay after the due date, the relevant government administrative body may impose a fine on the employer.

In accordance with the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) issued by the State Council on 3 April 1999, last revised on 24 March 2019 and taking effect on the same day, an employer must register with the competent managing center for housing funds and shall contribute to the Housing Provident Fund for any employee on its payroll. Where an employer fails to pay up housing provident funds within the prescribed time limit, the employer may be ordered to make payment within a certain period, where the payment has not been made after the expiration of the time limit, an application may be made to the court for compulsory enforcement.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in the PRC is the Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January 1996, came into effect on 1 April 1996, and was amended on 14 January 1997 and 5 August 2008 (the "Forex Regulations"). According to

the Forex Regulations, international payments in foreign currencies and transfers of foreign currencies under current account, such as payments of dividends or interests, shall not be restricted. Foreign currency transactions under the capital account, such as direct investment and capital contributions, require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities.

According to the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on 26 December 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conducts involved in overseas listing. Domestic company shall, within 15 working days upon the end of its public offering overseas, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials.

On 9 June 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), the "Circular 16"), which came into effect on the same day. The Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted listed overseas proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on 10 April 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot checking in accordance with the relevant requirements.

REGULATIONS RELATING TO TAX

Enterprise Income Tax

According to the Law of the PRC on Enterprise Income Tax (《中華人民共和國企業所得税法》) (the "EIT Law"), which was promulgated on 16 March 2007, became effective from 1 January 2008 and was amended on 24 February 2017 and 29 December 2018, respectively, a domestic enterprise which is established within the PRC in accordance with the laws shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the state.

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

Value-Added Tax

Pursuant to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on 13 December 1993 and amended on 5 November 2008, 6 February 2016 and 19 November 2017, respectively, and the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF and SAT on 15 December 2008 and became effective on 1 January 2009 and was amended on 28 October 2011, entities or individuals engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the territory of the PRC shall pay VAT. Unless provided otherwise, the rate of VAT is 17% on sales and 6% on the services.

On 4 April 2018, MOF and SAT jointly promulgated the Circular of the Ministry of Finance and the State Administration of Taxation on Adjustment of Value-Added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) (the "Circular 32"), according to which (i) for VAT taxable sales acts or import of goods originally subject to VAT rates of 17% and 11%, respectively, such tax rates shall be adjusted to 16% and 10%, respectively; (ii) for purchase of agricultural products originally subject to tax rate of 11%, such tax rate shall be adjusted to 10%; (iii) for purchase of agricultural products for the purpose of production and sales or consigned processing of goods subject to tax rate of 16%, such tax shall be calculated at the tax rate of 12%; (iv) for exported goods originally subject to tax rate of 17% and export tax refund rate of 17%, the export tax refund rate shall be adjusted to 16%; and (v) for exported goods and cross-border taxable acts originally subject to tax rate of 11% and export tax refund rate of 11%, the export tax refund rate shall be adjusted to 10%. Circular 32 became effective on May 1, 2018 and shall supersede existing provisions which are inconsistent with Circular 32.

Since 16 November 2011, the MOF and the SAT have implemented the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax (《營業税改徵增值税試點方案》), the "VAT Pilot Plan"), which imposes VAT in lieu of business tax for certain "modern service industries" in certain regions and eventually expanded to nation-wide application in 2013.

According to the Implementation Rules for the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax (《營業税改徵增值税試點實施辦法》) released by the MOF and the SAT on the VAT Pilot Program, the "modern service industries" include research, development and technology services, information technology services, cultural innovation services, logistics support, lease of corporeal properties, attestation and consulting services.

The Notice on comprehensively promoting the Pilot Plan of the Conversion of Business Tax to Value-Added Tax (《關於做好全面推開營改增試點工作的通知》), which was promulgated on 29 April 2016, sets out that VAT in lieu of business tax be collected in all regions and industries.

On 20 March 2019, MOF, SAT and the General Administration of Customs jointly promulgated the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》), which became effective on 1 April 2019 and provides that (i) with respect to VAT taxable sales acts or import of goods originally subject to VAT rates of 16% and 10% respectively, such tax rates shall be adjusted to 13% and 9%, respectively; (ii) with respect to purchase of agricultural products originally subject to tax rate of 10%, such tax rate shall be adjusted to 9%; (iii) with respect to purchase of agricultural products for the purpose of production or consigned processing of goods subject to tax rate of 13%, such tax shall be calculated at the tax rate of 10%; (iv) with respect to export of goods and services originally subject to tax rate of 16% and export tax refund rate of 16%, the export tax refund rate shall be adjusted to 13%; and (v) with respect to export of goods and cross-border taxable acts originally subject to tax rate of 10% and export tax refund rate of 10%, the export tax refund rate shall be adjusted to 9%.

FULL CIRCULATION OF H SHARES

"Full circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into foreign listed shares circulating in overseas markets. "Full circulation" shall comply with relevant regulations of the CSRC and the shareholders of domestic unlisted shares shall entrust the domestic company to report the "Full circulation" with CSRC by filing materials on key compliance issues, including whether the "Full circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, and industry supervision, and if so, whether such approval or filing procedures have been performed.

On 31 December 2019, the CSDC and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business. The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation.

In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, the CSDC has issued the Circular on Issuing the Guidelines to the Program for "Full Circulation" of H-shares in February 2020, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. In February 2020, China Securities Depository and Clearing (Hong Kong) Co., Ltd., or the CSDC

HK, promulgated the Guidelines to the Program for Full Circulation of H-shares of China Securities Depository and Clearing (Hong Kong) Co., Ltd. (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》) to specify the relevant escrow, custody, agent service of CSDC HK, arrangement for settlement and delivery and other relevant matters.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

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》) (the "Overseas Listing Trial Measures") and five relevant guidelines on 17 February 2023, which took effect on 31 March 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system. According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) 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) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering. Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within 3 working days after occurrence of the changes.

On 24 February 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Provision on Confidentiality"), which took effect on 31 March 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.