Testimony of Courtney Alexander United Food and Commercial Workers International Union before House Financial Services Subcommittee on Investor Protection, Entrepreneurship and Capital Markets November 15, 2022

Good afternoon, Chairman Sherman, Ranking Member Huizinga, and members of the subcommittee. Thank you for the opportunity to testify today. My name is Courtney Alexander, and I am a senior research analyst with the United Food and Commercial Workers International Union. I have 35 years of experience working for labor unions analyzing corporate ownership and financial structures, with a focus on the rise of private equity in the service industry and the impact of financial engineering on American workers. What I am here to address today is my recent work analyzing the outflow of capital from United States-based private equity firms to the People's Republic of China. That capital includes public employee pension assets invested by private equity firms in a country of national security concern. I will present a case study which we believe illustrates the need for public disclosure by private equity firms of their investments in countries of concern.

In the last few years, scrutiny into U.S. investment in China has been building. Examples include:

- 1. Your passage of the Holding Foreign Companies Accountable Act, requiring listed companies to permit inspections of their audits, a longstanding obstacle for investors in Chinese companies listed in the U.S.
- The resulting September 2022 Statement of Protocol between the Public Company Accounting Oversight Board (PCAOB), the China Securities Regulatory Commission (CSRC) and China's Ministry of Finance setting a framework for access to such audits, to be tested in the coming year.<sup>1</sup>
- 3. Presidential Executive Order 14032 which bans U.S. transactions in certain *publicly* traded securities that finance companies in the Chinese Military Industrial Complex and Chinese surveillance technology;
- House and Senate bills and hearings outlining the case for an outbound review process sometimes called a reverse CFIUS - for investment in industries important to national security, in countries of concern.

Much of the engagement around investments in Chinese companies is guided by what is visible in publicly traded companies. What is less visible, but no less important, is the trove of investments made by U.S. private equity funds in Chinese companies.

<sup>&</sup>lt;sup>1</sup> <u>https://www.sec.gov/news/statement/gensler-audit-firms-china-hong-kong-20220826</u>

Let me present a case study of one such investment based on our research.

Between 2007 and 2018, U.S. based KKR & Co. invested \$3.3 billion in companies and entrepreneurs in Greater China.<sup>2</sup> In late 2017, KKR Asian Fund III, an investment vehicle run by KKR, founded a Chinese artificial intelligence and big data company called Cue Group. The company, formally called Shanghai Cue Information Technology Co., Ltd. 上海开域信息科技有限公司, was formed by combining four digital advertising, communications and big data analytics companies under the leadership of Mr. Shi Kan, a Chinese technology entrepreneur.<sup>3</sup> At launch, Cue was described by KKR as "...the first one-stop digital marketing company for the Chinese market."<sup>4</sup>

Until November 1, 2021, KKR owned a majority of Cue and KKR executives comprised a majority of Cue's Board.

KKR's "digital marketing company" went on to jointly develop surveillance technology with an arm of the Ministry of Public Security, the government organ that oversees China's vast internal surveillance apparatus.

In 2020, Cue had jointly developed technology for a surveillance product with the Video National Engineering Laboratory Zhuhai Innovation Center 视频国家工程实验室(珠海)创新中 ("Zhuhai Innovation Center"), a government lab run by the First Research Institute of the Ministry of Public Security 公安部第一研究所, according to an April 2, 2020 press release posted on Cue's website during 2021.<sup>5</sup>

The Zhuhai Innovation Center and the First Research Institute play integral roles in the Ministry of Public Security's surveillance apparatus, and the First Research Institute works with Chinese entities that are sanctioned by the U.S. government for facilitating human rights abuses or playing a role in the Chinese military-industrial complex. I will come back to this point after describing Cue's technology.

<sup>&</sup>lt;sup>2</sup> <u>https://www.businesswire.com/news/home/20180320006664/en/KKR-Launches-China%E2%80%99s-First-One-Stop-Digital-Marketing-Company-Cue-Co</u>. "KKR has been investing in China through its pan-regional private equity funds since 2007, deploying more than US\$3.3 billion to support leading companies and entrepreneurs in Greater China through its private equity platform."

<sup>&</sup>lt;sup>3</sup> <u>https://www.businesswire.com/news/home/20180320006664/en/KKR-Launches-China%E2%80%99s-First-One-Stop-Digital-Marketing-Company-Cue-Co</u>.

<sup>&</sup>lt;sup>4</sup> https://www.businesswire.com/news/home/20180320006664/en/KKR-Launches-China%E2%80%99s-First-One-Stop-Digital-Marketing-Company-Cue-Co.

<sup>&</sup>lt;sup>5</sup> https://cue.group/news/index.html 2020 年04 月02 日, accessed 7/3/21, professional translation. Web posting was removed following publication of The Wire China report. "CUE All-in-One Machine', which has two core capabilities of AI smart contact-free temperature measurement and 14-day migration trajectory tracking, was an epidemic prevention product jointly and urgently researched and developed by CUE Group, Zhuhai Zhongdun Star Technology Co., Ltd and Video National Engineering Laboratory (Zhuhai) Innovation Center."

The jointly-developed product was called the "CUE Real-time AI Facial & Body Temperature Detector" or All-in-One machine, and it integrated facial recognition, thermal detection and identity data. It was used for pandemic surveillance in public places, reading temperatures of passersby, tracking 14-day migration of individuals, and identifying "companions." According to Cue's 2021 website postings, Cue's technology also had potential non-pandemic uses for recognizing "blacklisted persons" and to "prevent incidents involving mass gatherings".<sup>6</sup>

In August 2020, Cue posted on its website that this technology was used in train and bus stations, shopping malls, government agencies, schools and businesses.<sup>7</sup> More recently, on June 7, 2022, while KKR was a minority owner of Cue, Cue posted on its website about a similar, updated epidemic prevention product called Cue Digital Sentinel, which screens passersby for temperature, identity verification and health code accuracy, using artificial intelligence and big data. Cue stated: "Digital Sentinel' is connected to the big data platform, which can check the authenticity of the health code and achieve real verification."8

Pandemic surveillance has not been a benign government function in China, with mandated guarantines, mass lockdowns and restricted travel based on health codes.<sup>9</sup> Voice of America, New York Times, and CNN have also reported on the use of other pandemic surveillance tools to restrict travel of protestors.<sup>10</sup>

Additionally, Mr. Shi's personal company Zhuhai Zhongdun Star Technology Co, Ltd. 珠海中盾 之星科技有限公司 was a "strategic signatory" of the Zhuhai Innovation Center, and Mr. Shi attended the 2019 grand opening of the government laboratory as a representative of the lab's

<sup>&</sup>lt;sup>6</sup> https://cue.group/news/index.html 2020 年04 月02 日, accessed 7/3/21, professional translation. Web posting was removed following publication of The Wire China report. "'CUE All-in-One Machine', which has two core capabilities of AI smart contact-free temperature measurement and 14-day migration trajectory tracking, was an epidemic prevention product jointly and urgently researched and developed by CUE Group, Zhuhai Zhongdun Star Technology Co., Ltd and Video National Engineering Laboratory (Zhuhai) Innovation Center."

<sup>&</sup>quot;For example, in terms of daily passenger flow statistics, (it) can collect and analyze passenger flow, record visitors' information, send warnings about abnormal passenger flow, prevent incidents involving mass gathering.... support blacklist warning, when recognize specific blacklisted person(s), (it) will send out real-time warnings."

<sup>&</sup>lt;sup>7</sup> https://cue.group/news/index.html 2020 年08 月04 日, accessed 7/8/21, professional translation. Website has

been removed. "During the epidemic, 'CUE Real-time AI Facial & Body Temperature Detector' served government agencies, businesses, communities, schools, restaurants, shopping malls, train stations, bus stations and other places all over the world, provided safety protection for tens of millions of people during their daily activities." <sup>8</sup> https://cue.group/#/newsdetails?id=articleDetial 9abbe02cc4868d83 , post dated 6/7/2022, accessed

<sup>8/30/2022,</sup> Google translate. Website has been removed.

<sup>&</sup>lt;sup>9</sup> https://www.bloomberg.com/news/features/2022-08-02/china-s-covid-zero-strategy-could-last-years-under-xi <sup>10</sup> https://www.nytimes.com/2022/01/30/world/asia/covid-restrictions-china-lockdown html?searchResultPosition=1 https://www.voanews.com/a/reports-chinese-authorities-using-covid-tracking-app-to-thwart-protesters-/6619689 html

https://www.cnn.com/2022/06/15/china/china-zhengzhou-bank-fraud-health-code-protest-intl-hnk/index html

strategic partners, according to an October 28, 2019 ChinaDaily.com article.<sup>11</sup> According to that article, Zhuhai Zhongdun Star Technology had participated in the government's "Safe Campus" surveillance project starting in 2018.<sup>12</sup>

According to a 2020 Xinhuanet.com article, "CUE Group CEO Shi Kan said that CUE Group's business area covers digital marketing, but in essence, its core DNA comes from big data and artificial intelligence technology. CUE Group is essentially a digital technology company. At present, the artificial intelligence business has become an important part of the group's continuous efforts."<sup>13</sup>

Importantly, KKR listed Cue and Zhuhai Zhongdun Star Technology as "indirect subsidiaries" of KKR in a German regulatory filing dated February 20, 2020.<sup>14</sup> Further documenting the entangled nature of Cue and Mr. Shi's personal companies, the National Enterprise Credit Information System of China documented a 2020 pledge of equity by Mr. Shi's holding company for Zhuhai Zhongdun, to Cue.<sup>15</sup>

On February 20, 2022 *The Wire China* published an article entitled "<u>The Surveillance Stake</u>", profiling KKR's investment in Cue and Cue's collaboration with the government lab. KKR and Cue denied the collaboration to *The Wire*, however "...the Zhuhai lab confirmed in an email to The Wire that it had at one time collaborated with Cue and one of its wholly-owned subsidiaries."<sup>16</sup> I have submitted that publication with my written testimony.

## Why does a collaboration with the Zhuhai Innovation Center matter?

The Zhuhai Innovation Center was formed in 2019 by the National Engineering Laboratory for Intelligent Video Analysis and Application, called NELIVA, and the Jinwan District government in

<sup>&</sup>lt;sup>11</sup> <u>https://tech.chinadaily.com.cn/a/201910/28/WS5db690e7a31099ab995e8371.html</u> dated 10/28/2019,

professional translation: "Zhuhai Zhongdun Star Technology Co., Ltd., as a strategic signatory of Video National Engineering Laboratory (Zhuhai) Innovation Center, had already officially participated in the "Safe Campus" project in 2018, assisted in the implementation of research subjects at the Video National Laboratory, provided technical services and support, promoted the operation of the subject project, carried out the application of scientific research results."

<sup>&</sup>lt;sup>12</sup> <u>https://tech.chinadaily.com.cn/a/201910/28/WS5db690e7a31099ab995e8371.html</u> dated 10/28/2019, professional translation: "Zhuhai Zhongdun Star Technology Co., Ltd., as a strategic signatory of Video National Engineering Laboratory (Zhuhai) Innovation Center, had already officially participated in the "Safe Campus" project in 2018, assisted in the implementation of research subjects at the Video National Laboratory, provided technical services and support, promoted the operation of the subject project, carried out the application of scientific research results."

<sup>&</sup>lt;sup>13</sup> <u>http://www.xinhuanet.com/info/2020-10/28/c 139470907.htm</u> Professional translation with the letters DNA in the Chinese original. 10/28/2020.

<sup>&</sup>lt;sup>14</sup> <u>https://www.bafin.de/SharedDocs/Downloads/DE/Angebotsunterlage/axel\_springer\_se\_delisting.html p. 260</u>

<sup>&</sup>lt;sup>15</sup> National Enterprise Credit Information Publicity System of China, corporate record for Shanghai Shuchuan Data Technology Co., Ltd., 99% shareholder of Zhuhai Zhongdun Star Technology, accessed 11/23/2021

<sup>&</sup>lt;sup>16</sup> Northrop, Katrina. The Surveillance Stake, *The Wire China* dated February 20, 2022, p.2 <u>https://www.thewirechina.com/2022/02/20/the-surveillance-stake/</u>

Zhuhai.<sup>17</sup> The Laboratory Director of NELIVA is Qiu Baoli, the Director and Deputy Secretary of the Party Committee of the First Research Institute of the Ministry of Public Security.<sup>18</sup> Qiu was previously Deputy Director of the Public Security Bureau of the Xinjiang Construction Corps.<sup>19</sup> The Xinjiang Production and Construction Corps was sanctioned by the U.S. Department of Treasury in 2020 for serious human rights violations.<sup>20</sup>

The national lab NELIVA partners with Chinese companies and entities that are sanctioned in some form by the United States government. In 2021, NELIVA's website described the pedigree of what it calls its "co-construction units":

"The First Research Institute of the Ministry of Public Security is a leader in video technology. The Automation of the Chinese Academy of Sciences is at the international leading level in the field of image and biometrics. Vimicro is at the leading level in the design of "China Core" chips. Hikvision is a leading company in the surveillance industry. Huawei has a leading position in the communications field and has strong independent innovation capabilities. Sun Yat-sen University has a leading technology in intelligent transportation research. The Key Laboratory of the Ministry of Public Security of Video is a practical application base for public security."<sup>21</sup>

Executives of Hikvision and Huawei serve as Directors of the NELIVA's ruling Council,<sup>22</sup> and both entities are on the Chinese Military Industrial Complex list sanctioned under President Biden's Executive Order 14032.<sup>23</sup> The Institute of Automation of the Chinese Academy of Sciences ("CASIA") is on the Commerce Department's Entity List<sup>24</sup>, and according to a December 2021 report by the Hoover Institution, "In addition to its research and partnerships supporting surveillance and public security, CASIA has partnered with the [People's Liberation Army] PLA; all of the 'Seven Sons of National Defense' (国防七子) universities, which support defense programs as their primary mission; five of China's state-owned defense conglomerates; and a

<sup>&</sup>lt;sup>17</sup> <u>http://nelivaiczh.com.cn/</u> (website removed after publication of The Wire China article). About Us – Introduction of Video National Engineering Laboratory (Zhuhai) Innovation Center. Professional translation. "To answer the call from the government to "Shift focus downwards to serve the ordinary people; ensure leaning downwards to serve common workers", on July 1, 2019, the Video National Engineering Laboratory and Zhuhai Jinwan Government jointly formed the Video National Engineering Laboratory (Zhuhai) Innovation Center."

<sup>&</sup>lt;sup>18</sup> <u>http://www.neliva.com.cn/Index/lists/catid/11.html</u> accessed 11/7/22 Google translate

<sup>&</sup>lt;sup>19</sup> <u>http://www.neliva.com.cn/Index/lists/catid/11.html</u> accessed 11/7/22 Google translate

<sup>&</sup>lt;sup>20</sup> https://home.treasury.gov/news/press-releases/sm1073 7/31/2020 "Treasury Sanctions Chinese Entity and Officials Pursuant to Global Magnitsky Human Rights Executive Order"

<sup>&</sup>lt;sup>21</sup> <u>http://www.neliva.com.cn/Index/lists/catid/10.html</u> accessed 11/9/22

<sup>&</sup>lt;sup>22</sup> <u>http://www.neliva.com.cn/Index/lists/catid/11.html</u> accessed 11/7/22

<sup>&</sup>lt;sup>23</sup> <u>https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list/ns-cmic-list</u>, accessed 11/7/22

<sup>&</sup>lt;sup>24</sup> <u>https://www.bis.doc.gov/index.php/documents/regulations-docs/2326-supplement-no-4-to-part-744-entity-list-4/file</u> accessed 11/4/22

division of China's nuclear weapons complex."<sup>25</sup> Lastly, Sun Yat-sen University is on the Commerce Department's Unverified List<sup>26</sup>.

According to a June 1, 2015 Beijing News story posted on the official Cyberspace Administration of China's website, "The First Research Institute of the Ministry of Public Security has been known as the 'National Team of Cyber Security'".<sup>27</sup>

Furthermore, First Research Institute is the organ that designed and implemented what it called Skynet in Xinjiang working with the Public Security Department of Xinjiang Uygur Autonomous Region, an entity on the Treasury Department's Specially Designated Nationals And Blocked Persons List for its role in human rights violations.<sup>28</sup> The First Research Institute announced Skynet in Xinjiang in a January 21, 2015 article posted on the Cyberspace Administration of China's website with the headline: "First Research Institute of the Ministry of Public Security Set Up Four Platforms; Build Anti-Terrorism Anti-Violence 'SkyNet'", stating:

"The timely handling of the Shule incident indeed was benefited from the 'Four Major Platforms' of the Xinjiang Public Security's Informatization, which the First Research Institute of the Ministry of Public Security and Public Security Department of Xinjiang Uygur Autonomous Region built over a period of three years – Video Information Integration Application Platform, Police Geographic Information Application Platform, National Security Information Application Platform and Internet Service Platform."<sup>29</sup>

To be clear, we do not have information that Cue's surveillance technology was used in Xinjiang or for human rights violations. Nonetheless, the collaboration is concerning, according to Jeffrey Stoff, a former U.S. government official who worked on technology protection and was quoted in *The Wire China* article:

"KKR is directly associating with parts of the state that develop surveillance that is responsible for human rights abuses. Even if the particular technology that [KKR] is investing in is deployed for the notionally benign use of temperature detection and Covid detection, it can be easily diverted to reprehensible applications. That needs to be assumed."<sup>30</sup>

<sup>&</sup>lt;sup>25</sup> Jeffrey Stoff and Glenn Tiffert, Hoover Institution, "Eyes Wide Open: Ethical Risks in Research Collaboration with China", December 2021, p. 5 <u>https://www.scribd.com/document/545616632/Eyes-Wide-Open-Ethical-Risks-in-Research-Collaboration-with-China#download</u>

<sup>&</sup>lt;sup>26</sup> https://www.bis.doc.gov/index.php/documents/regulations-docs/2713-supplement-no-6-to-part-744-unverifiedlist/file accessed 11/4/22

<sup>&</sup>lt;sup>27</sup> <u>http://www.cac.gov.cn/2015-06/01/c 1115476484.htm</u>, dated 6/1/2015, Cyberspace Administration of China website, source Beijing News, professional translation.

<sup>&</sup>lt;sup>28</sup> <u>https://www.treasury.gov/ofac/downloads/sdnlist.pdf</u>, accessed 11/4/22

<sup>&</sup>lt;sup>29</sup> <u>http://www.cac.gov.cn/2015-01/21/c 1114068012.htm</u>, dated 1/21/2015, Cyberspace Administration of China website, source Science and Technology Daily, professional translation.

<sup>&</sup>lt;sup>30</sup> Northrop, Katrina. The Surveillance Stake, *The Wire China* dated February 20, 2022, p. 8 <u>https://www.thewirechina.com/2022/02/20/the-surveillance-stake/</u>

For its part, the Zhuhai Innovation Center's website described two of its public security goals as follows: "build a three-dimensional 'Jinwan Model' for social prevention and control, establish a model for social governance in the Guangdong - Hong Kong - Macao Greater Bay Area."<sup>31</sup> Its research directions included: "conduct research on the safety, stable transmission and application of the installation of moving video surveillance system in the sky, on the ground and under the water".<sup>32</sup> In 2021, its website said it was working with many industries on research subjects "...including comprehensive management of public security, three-dimensional prevention and control for large-scale activities, intelligent communities, safe campus, intelligence safety, AI detection, emergency mass defense and mass control."<sup>33</sup>

The Zhuhai Innovation Center was formed in 2019 across the bay from Hong Kong, before China's imposition of the 2021 National Security Law in that city, the advent of which sparked wide-spread democracy protests in 2019 and 2020. We do not have information that the Zhuhai Innovation Center played a role in police surveillance or suppression of protests in Hong Kong. According to South China Morning Post, China's Ministry of Public Security stated in 2020 that the Ministry would "fully guide and support the Hong Kong -police force in curbing violence and chaos, restoring the order..."<sup>34</sup> Changes in Hong Kong governance have prompted an Advisory to American businesses from the US Departments of State, Treasury, Commerce and Homeland Security regarding electronic surveillance and data collection in the province, among other warnings.<sup>35</sup>

Until February 20, 2022, when *The Wire China* profiled KKR's investment in Cue, Cue's website also contained a video and posting about a prototype of a Cue-branded autonomous vehicle utilizing artificial intelligence and described as "... suitable for public security, fire protection, military, engineering and other fields."<sup>36</sup>

After being approached by *The Wire China*, Cue proceeded to cover-up its collaboration with the Zhuhai Innovation Center and public security products by removing website postings referencing the Zhuhai lab, the use of facial recognition and temperature detection, videos

<sup>&</sup>lt;sup>31</sup> <u>http://nelivaiczh.com.cn/plus/view.php?aid=14</u>, Zhuhai Innovation Center website, Inauguration announcement, dated 3/17/2020, accessed 6/1/2021, professional translation. Website no longer accessible.

<sup>&</sup>lt;sup>32</sup> <u>http://nelivaiczh.com.cn/plus/view.php?aid=14</u>, Zhuhai Innovation Center website, Inauguration announcement, dated 3/17/2020, accessed 6/1/2021, professional translation. Website no longer accessible.

<sup>&</sup>lt;sup>33</sup> <u>http://nelivaiczh.com.cn/</u> Zhuhai Innovation Center website, About Us. Accessed 8/19/2021, professional translation. Website no longer accessible.

<sup>&</sup>lt;sup>34</sup> <u>https://www.scmp.com/news/hong-kong/law-and-crime/article/3086783/chinas-public-security-ministry-vows-fully-guide-hong</u> South China Morning Post, 5/30/2020

<sup>&</sup>lt;sup>35</sup> <u>https://www.state.gov/risks-and-considerations-for-businesses-operating-in-hong-kong/</u>

<sup>&</sup>lt;sup>36</sup> Google translation of posting at <u>https://cue.group/#/newsdetails?id=2021\_013</u>. Posting was removed after The Wire China published "The Surveillance Stake" on 2/20/22. "The product is independently developed and integrates a variety of artificial intelligence technologies, and is suitable for public security, fire protection, military, engineering and other fields."

depicting its AI Facial and Temperature Detector and autonomous vehicle prototype. More recently, Cue has replaced its website outside China with a one-page description removing descriptions of its technology.<sup>37</sup> We can no longer access Cue's Chinese website, if there is one.

In response to our research, KKR told myself and colleagues that the firm tries to ensure that it does not invest in "surveillance capitalism", that it conducts "very careful screening with respect to every investment we make on issues of both privacy, surveillance, as well as geopolitics" and that former Gen. David Petraeus leads a team at the KKR Global Institute to help KKR assess every investment for such risks as a matter of policy.<sup>38</sup>

This investment process is concerning to us. For example, KKR's purported risk review may have missed Cue's own promotion of its collaboration with a lab run by China's surveillance apparatus, even though KKR executives served on Cue's Board of Directors. Or possibly KKR's review may have identified Cue's connections to China's surveillance apparatus and still knowingly invested in it. In whatever case, we find it hard to trust that private equity can sufficiently police itself when it invests in China and other countries of concern.

Cue's surveillance and advertising business paid its investors well. In November 2021, KKR sold a partial interest in Cue to Baring Private Equity Asia, a Hong Kong-based private equity company. KKR Asian Fund III entities received a \$235 million dividend following this partial sale and valued their remaining stake in Cue at \$215 million at year end 2021.<sup>39</sup> That \$450 million valuation for its stake in Cue is more than three and a half times KKR Asian Fund III's original investment of \$126 million, made four years earlier.<sup>40</sup>

Money talks, surveillance pays, and the American public needs tools to protect our country's interests. That is even more true when you consider who the investors are in KKR's Cue investment.

KKR Asian Fund III investors include public employee pension funds, like Washington State Investment Board, Florida State Board of Administration, Oregon Treasury, Texas Permanent School Fund and others across the country. We believe it is fundamentally wrong for public employees' retirement to fund any collaboration with China's repressive surveillance state. When we asked public employee pension funds to divest of Cue based on The Wire China's confirmation of Cue's government collaboration, some of the public pension funds said they were limited partners and could not exit individual investments, and one fund said it relies on the federal government to flag investments of national security concern.

<sup>&</sup>lt;sup>37</sup> <u>https://cue.group/en/</u> accessed 11/9/22

<sup>&</sup>lt;sup>38</sup> Notes, conversation 6/21/22

<sup>&</sup>lt;sup>39</sup> Singapore Corporate Registry, Sino Ad Ultimate Holdings Pte. Ltd. Financial Statements for 2021, p. 23.

<sup>&</sup>lt;sup>40</sup> Singapore Corporate Registry, Sino Ad Ultimate Holdings Pte. Ltd. Financial Statements for 2021, p. 11.

Therefore, we urge you to give public pension funds, our regulators and American citizens the tools to hold private equity accountable to our own national security and human rights interests by mandating public disclosure of all subsidiaries and investments in countries of national security concern.

One last point about public disclosure: the information used to uncover the Cue story was all public information, required by other countries in which KKR does business. KKR filed a list of indirect subsidiaries in Germany because it was required to. Chinese companies are required to disclose all shareholders in publicly available filings. Singapore and Hong Kong companies must file ownership information. These countries require more public disclosure from companies than we do in the United States, and still they are very profitable countries for private equity investments. So, when KKR and other private equity firms argue their investments are proprietary or secret, ask them why Americans don't deserve the same information they give to China and Singapore.

Thank you for the opportunity to address you on this matter.

## Appendix - Images

CUE Real-Time AI Facial & Body Temperature Detector video on Cue's website, stills captured 5/28/2021



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Caption translation:

Analysis of 14-day migration trajectory of passenger flow Early warning for place of risk origin Real-time surveillance of passenger flow, early warnings for high-density mass gathering

Cue Autonomous Vehicle Prototype, from Cue video on LinkedIn, captured 2/20/2022

