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## REGULATORY OVERVIEW

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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.

### REGULATIONS AND POLICIES ON ROBOTS

On January 18, 2024, the Ministry of Industry and Information Technology of the PRC (“MIIT”) and six other departments released the Implementation Opinions on Promoting the Innovative Development of Future Industries (《關於推動未來產業創新發展的實施意見》). To meet the country’s major strategic needs and the people’s aspirations for a better life, efforts should be made to accelerate the implementation of major technological equipment research projects, make breakthroughs in high-end equipment products such as humanoid robots, drive the industrial application of new technologies through complete machines, and build a world-leading high-end equipment system.

On March 12, 2021, the National People’s Congress (“NPC”) issued the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and Long-Range Objectives Through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), pursuant to which, the State actively promotes the optimization and upgrading of the manufacturing industry, supports the in-depth implementation of intelligent manufacturing and green manufacturing projects, develops new models of service-oriented manufacturing, and promotes the high-end, intelligent and green development of the manufacturing industry, and cultivate the innovative development of advanced manufacturing clusters including robots.

On December 21, 2021, 15 departments including the MIIT jointly issued the 14th Five-Year Plan for the Robotics Industry (《「十四五」機器人產業發展規劃》), which outlines the goal of establishing China as a global hub for robotics technology innovation, a cluster for high-end manufacturing and a pioneer in integrated applications by 2025. The plan aims to achieve breakthroughs in core robotics technologies and high-end products, ensuring that overall robot indicators meet internationally advanced standards while the performance and reliability of key components match global counterparts.

On January 18, 2023, the MIIT and other 16 departments jointly issued the Implementation Plan for “Robot+” Application Action (《「機器人+」應用行動實施方案》), which sets a target to double the robot density in manufacturing by 2025 compared to 2020, while significantly enhancing the depth and breadth of applications for service robots and special-purpose robots across industries. Promote the construction of demonstration factories for intelligent manufacturing and create typical application scenarios for industrial robots. Develop intelligent manufacturing systems based on industrial robots to facilitate the digital transformation and intelligent upgrading of the manufacturing industry.

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### REGULATIONS RELATING TO FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

#### Company Law

The PRC Company Law (《中華人民共和國公司法》) was promulgated by the Standing Committee of the National People’s Congress, or the SCNPC, on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, which came into effect on July 1, 2024. Under the PRC Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises. Pursuant to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail. The major amendments of the latest PRC Company Law, which came into effect on July 1, 2024, include improving the company establishment and exit regime, optimizing the organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of controlling shareholder and management, and reinforcing the social responsibilities of companies, among others.

Under the PRC Company Law, a company may, prior to its [REDACTED], issue a class of shares with rights different from those of its common shares in accordance with the company’s articles of association, including but not limited to shares carrying more or less voting rights per share than those of its ordinary shares. Where a company issues such class shares, in respect of the election and replacement of supervisors or members of the audit committee, each class share shall have the same number of voting rights as each ordinary share.

#### Foreign Investment

Investment activities in Chinese Mainland by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》), or the Encouraged Catalog, and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》), or the Negative List, which are promulgated and amended from time to time by the Ministry of Commerce, or the MOFCOM, and the NDRC, and together with the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, and its respective implementation rules and ancillary regulations.

The PRC Foreign Investment Law was promulgated by the NPC in March 2019 and came into effect on January 1, 2020, which replaced three then existing laws on foreign investments in Chinese Mainland, namely, the PRC Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law of PRC (《中華人民共和國外資企業法》). To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (《中華人民共和國外商投資法實施條例》), or the Foreign Investment Implementation Regulations, was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment and advances a higher-level opening.

Pursuant to the Foreign Investment Law, the Foreign Investment Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

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### Overseas Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing. Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the Investor, making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects, or the Projects, report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors’ direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned “sensitive project” means a project involving a sensitive country or region or a sensitive industry. The NDRC shall promulgate the catalog of sensitive industries. The currently effective sensitive industry catalog is the Catalog of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018.

### REGULATIONS RELATING TO CYBERSECURITY AND USER’S INFORMATION PROTECTION

The Cybersecurity Law (《中華人民共和國網絡安全法》) of the People’s Republic of China, or the Cybersecurity Law, which was promulgated on November 7, 2016 and was last amend on October 28, 2025, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity incidents, to prevent criminal activities committed on the network, and to maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger cybersecurity or use networks to engage in activities endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The Cybersecurity Law also reiterates certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the Cybersecurity Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permits, cancellation of business license, closedown of websites or even criminal liabilities.

The Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), or the Data Security Law, was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permits or even criminal liabilities.

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The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, was promulgated on August 20, 2021 and came into effect on November 1, 2021. Instead of relying solely on “notification and consent” as established in the Cybersecurity Law, the Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual’s consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect a natural person’s life, health and property safety under emergency circumstances; (v) the personal information that has been made public is processed within a reasonable scope in accordance with the Personal Information Protection Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, inclusion in relevant credit record, or even criminal liabilities.

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the Cyberspace Administration of China (“CAC”), promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by critical information infrastructure operators and the activities of data processing carried out by online platform operators, that raise or may raise “national security” concerns are subject to strict cybersecurity review by the Office of Cybersecurity Review established by the CAC. Before the critical information infrastructure operator procures network products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give rise to national security concerns, it should apply for a cybersecurity review by the Cybersecurity Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, an online platform operator that possess the personal information of more than one million users must apply for cybersecurity review by the Cybersecurity Review Office, if it plans on listing companies in foreign countries. The Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, activities of data processing or overseas listing of companies affects or may affect national security. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the Cybersecurity Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties and suspension of our non-compliant operations.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), or the Regulations on Network Data Security, which became effective on January 1, 2025. The Regulations on Network Data Security stipulates that the State protects network data by category and by grade, according to the importance of network data in economic and social development, as well as the extent of the damage caused to national security, public interests or the legitimate rights and interests of individuals and organizations by network data once the network data are tampered with, destroyed, leaked, illegally acquired or illegally utilized. The Regulations on Network Data Security has further stipulates detailed requirements in terms of personal information protection, important data security, cross-border security management of network data, and the obligations of network platform service providers. When network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. Those who violate the Regulations on Network Data Security may be subject to orders for correction, warnings, confiscation of illegal gains, fines, orders to suspend related businesses, business rectification, revocation of relevant business licenses or business licenses, and even be held criminally responsible.

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### REGULATIONS RELATING TO EXPORTATION OF GOODS

According to the Regulations of the PRC on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 which came into effect on January 1, 2002 and was last amended on March 10, 2024, with the latest amendment being effective on May 1, 2024, the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and last amended on December 27, 2025, the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 which came into effect on July 1, 1987 and last amended on April 29, 2021, the Measures for Record Filing and Registration by Foreign Trade Dealer (《對外貿易經營者備案登記辦法》) promulgated by the MOFCOM, on June 25, 2004, which came into effect on July 1, 2004 and last amended on May 10, 2021 and the Administrative Provisions of the Customs of the People’s Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021 which came into effect on January 1, 2022, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with the MOFCOM or the agency entrusted by the MOFCOM. Unless otherwise provided, the declaration of import or export goods and the payment of duties may be made by the consignees or consignors themselves, or by entrusted customs brokers. Customs declaration entities refer to consignees or consignors of imported or exported goods or customs brokers that have filed for record with Customs. Customs declaration entities may conduct customs declaration business within the customs territory of the PRC.

### REGULATIONS RELATING TO PRODUCT LIABILITY

The PRC Product Quality Law, or the Product Quality Law (《中華人民共和國產品質量法》), promulgated by the SCNPC, which took effect on September 1, 1993, and was amended on December 29, 2018, sets out the requirements to strengthen quality control of product and the measures that sellers shall adopt to maintain the quality of products for sale. Pursuant to the Product Quality Law, sellers shall establish and implement purchase inspection and acceptance system and verify the product qualification certificate and other marks. Sellers shall not mix impurities or imitations into products, or take counterfeit goods as genuine ones, defective products as good ones, or substandard products as standard ones. Violations of the Product Quality Law may result in confiscation of illicit products and imposition of fines. In addition, relevant sellers will be ordered to suspend its operations, with business license revoked and criminal liability incurred in serious cases. According to the Product Quality Law, consumers or victims who suffer injuries or property losses due to product defects may demand compensation from either the producer or the seller. Where the liability lies with the producer, the seller shall, after settling the claim, have the right to recover such claim from the producer, and vice versa.

### REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

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 December 26, 1989 and implemented on the same date, and subsequently revised on April 24, 2014, enterprises, public institutions and other producers and operators shall prevent and reduce environmental pollution and ecological damage, and shall take the liabilities for the damages caused according to the laws.

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 October 28, 2002 and implemented on September 1, 2003, and last revised on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and implemented on the same date, and subsequently revised on July 16, 2017, the state implements a system to assess the environment impact of construction projects. If the construction project may result in a material impact on the

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environment, a thorough environmental impact report on the potential environmental impact is required; if the construction project may result in only slight impact on the environment, an environmental impact statement of analyzing or special evaluation will be required; if the construction project may only result in very little impact on the environment and no environmental impact appraisal is required, a registration form of environmental impact shall be filed. Construction projects without undergoing assessment for environmental impact according to the laws cannot commence construction. After the completion of the construction projects for which environment effect report and environment effect statement was prepared, a construction unit shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environment protection facilities, and prepare inspection and acceptance report. No supplementary facilities of such projects may be put into production or use until such facilities pass inspection and acceptance; no supplementary facilities that failed to undergo or pass the inspection and acceptance procedure may be put into production or use.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC on April 1, 2024 and became effective on July 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, the Ministry of Ecology and Environment of the PRC shall formulate and release a category-based administration catalog of pollutant discharge licensing for stationary pollution sources, specifying the scope subject to the administration of pollutant discharge licensing and the time limit to apply for a pollutant discharge permit. Enterprises, public institutions and other producers and business operators that are included in the category-based administration catalogue are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the Ministry of Ecology and Environment of the PRC and implemented on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

## REGULATIONS ON FIRE PROTECTION AND PREVENTION IN THE PRC

According to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) (the “Fire Prevention Law”) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and latest amended on August 21, 2023, special construction projects that fail to undergo or pass the fire protection acceptance check are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be suspended from use. Any special construction projects put into use without passing the fire protection acceptance check, or failure to suspend the use of any construction projects other than special construction projects which fail to pass the random inspection on fire safety acceptance, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB300,000. Any constructing entity fails to go through the fire safety acceptance filing for any construction projects other than special construction projects shall be ordered to make corrections and imposed a fine of not more than RMB5,000 by the competent housing and urban-rural development authorities.

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### REGULATION ON PRODUCTION SAFETY

In accordance with relevant construction safety laws and regulations, including the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “Production Safety Law”), which was promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021, and came into effect on September 1, 2021, production and operation entities shall formulate production safety goals and measures, improve the working environment and conditions of workers in a planned and gradual manner, establish a production safety protection system, and implement the post responsibility system for production safety. In addition, production and operation entities shall arrange for production safety training and provide employees with personal protective equipment that meets national or industry standards.

Pursuant to the Production Safety Law, and the Measures for the Supervision and Administration of “Three Simultaneities” for Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) promulgated by the State Administration of Work Safety (now has been adjusted to the Ministry of Emergency Management) on April 2, 2015, and effective on May 1, 2015, production and operation entities are responsible for the construction of the safety facilities of construction projects. The safety facilities of a construction project must be designed, constructed and put into production and use simultaneously with the main part of the project. Investment in safety facilities shall be brought into the budgetary estimate of the whole construction project.

### REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

#### Patent

Patents in the PRC are principally protected under the PRC Patent Law (《中華人民共和國專利法》), which was initially promulgated by the SCNPC in 1984 and was most recently amended in 2020. A patent is valid for twenty years in the case of an invention, ten years in the case of utility models and fifteen years in the case of designs.

#### Copyrights

Copyrights in the PRC, including software copyrights, is principally protected under the PRC Copyright Law (《中華人民共和國著作權法》), which took effect in 1991 and was most recently amended in 2020, and other related rules and regulations. Under the PRC Copyright Law, the term of protection for software copyrights is 50 years.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and was most recently amended in 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council’s copyright administrative department. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

#### Trademark

Registered trademarks are protected under the PRC Trademark Law (《中華人民共和國商標法》), which was adopted by the SCNPC in 1982 and most recently amended in 2019, as well as the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council in 2002 and most recently amended in 2014, and other related rules and regulations. The State Intellectual Property Office, formerly known as the Trademark Office of the State Administration for Industry and Commerce, handles trademark registrations and grants a protection term of ten years to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner.

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### Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective since November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

## REGULATIONS RELATING TO EMPLOYMENT

### Labor Contract Law

The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which became effective on January 1, 2008 and was amended in 2012, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employees' wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

### Social Insurance

As required under the PRC Social Insurance Law (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, employers are required to provide their employees in China with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Pursuant to the Interpretation on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《關於審理勞動爭議案件適用法律問題的解釋(二)》) issued by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee that stipulates or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be invalid. Where an employer fails to pay social insurance premiums in accordance with the law, the employee shall have the right to request the termination of the labor contract on this ground and demand the employer to pay economic compensation, and the people's court shall uphold such requests in accordance with the law.

### Housing Fund

In accordance with the Regulations on the Administration of Housing Funds (《住房公積金管理條例》), which was promulgated by the State Council in 1999 and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employers are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

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### REGULATIONS RELATING TO TAXATION

#### Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, promulgated by the SCNPC on March 16 2007 and implemented on January 1, 2008 and last revised on December 29, 2018 and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008 and last revised on December 6, 2024, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country or region but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State.

#### Value-Added Tax

According to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and last revised on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993 and last amended on October 28, 2011, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of Chinese Mainland are taxpayers of value-added tax, or the VAT, and shall pay VAT in accordance with law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, or immovable leasing services, selling immovables, transferring land use rights, or selling or importing specific goods; unless otherwise stipulated, 6% for taxpayers selling services or intangible assets.

According to the Circular of the MOF and the SAT on Adjusting Value-added Tax Rate (《財政部、稅務總局關於調整增值稅稅率的通知》), which was promulgated by the MOF and the SAT on April 4, 2018 and became effective on May 1, 2018, the tax rates for the taxable sales or goods import activity, which were subject to the tax rates of 17% and 11% respectively, were adjusted to 16% and 10% respectively.

According to the Circular on Policies in Relation to the Deepening of Value-added Tax Reforms (《關於深化增值稅改革有關政策的公告》), which was jointly promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019, the tax rate of 16% and 10% originally applicable to general VAT taxpayers' VAT taxable sales or goods import shall be adjusted to 13% and 9%, respectively.

The SCNPC promulgated PRC Value-added Tax Law (《中華人民共和國增值稅法》) on December 25, 2024, which came into effect on January 1, 2026. The State Council promulgated Implementation Regulations of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》) on December 25, 2025, which came into effect on January 1, 2026. According to the PRC Value-added Tax Law and Implementation Regulations of the Value-Added Tax Law of the PRC, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From January 1, 2026, the Interim Regulations of the PRC on Value-added Tax has been repealed.

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### Dividends Distribution

The principal regulations governing dividends distributions by companies is the PRC Company Law. PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was promulgated by the SCNPC on September 10, 1980 and last revised on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was promulgated by the State Council on January 28, 1994 and last revised on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Pursuant to the EIT Law and the Implementation Rules of the EIT Law, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

### REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended in August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange, or the SAFE, or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

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## REGULATORY OVERVIEW

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According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in noninvestment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知), which is issued on December 24, 2025 and will be effective on April 1, 2026, domestic enterprises listed overseas shall apply for overseas listing registration within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment. In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to China in a timely manner. If such funds are retained overseas for conducting businesses including overseas direct investment, overseas securities investment, and overseas lending, the domestic enterprises shall obtain the approval or filing documents from the competent business authorities prior to the conclusion of the overseas listing issuance or the completion of the over-allotment, and shall comply with the relevant provisions on cross-border capital administration.

According to the Notice of the State Administration of Foreign Exchange on the Relevant Issues Concerning the Administration of Foreign Exchange for Domestic Individuals’ Participation in Equity Incentive Programs of Overseas Listed Companies (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), which is issued on February 15, 2012, all individuals who participate in the same equity incentive program of an overseas listed company shall, through their domestic company, collectively entrust one domestic agency to solely handle the relevant matters for them including registration of foreign exchange, opening of the account and transfer and conversion of funds, and one overseas agency shall solely handle such matters including individuals’ exercise of rights, the purchase and sale of relevant stocks or equities and transfer of relevant funds.

### REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTINGS

#### Securities Law

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the Chinese Mainland securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The China Securities Regulatory Commission, or the CSRC, is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

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### Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on 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》), or the Overseas Listing Trial Measures, together with several supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the “Overseas Listing Regulations”). Under Overseas Listing Regulations, Chinese Mainland domestic companies that seek to [REDACTED] and [REDACTED] securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its [REDACTED] for overseas [REDACTED] is submitted.

The Overseas Listing Regulations provides that no overseas [REDACTED] and [REDACTED] shall be made under any of the following circumstances: (i) such securities [REDACTED] and [REDACTED] is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities [REDACTED] and [REDACTED] may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities [REDACTED] and [REDACTED], or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities [REDACTED] and [REDACTED] 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; or (v) 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. Additionally, the Overseas Listing Regulations stipulates that after an issuer has [REDACTED] and [REDACTED] securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of [REDACTED] status or transfers of [REDACTED] segment, and (iv) a voluntary or mandatory [REDACTED]. Overseas [REDACTED] and [REDACTED] by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering 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》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of Chinese Mainland by the securities companies and securities service agencies that provide corresponding services for the overseas [REDACTED] and [REDACTED] of domestic enterprises shall be kept within the territory of Chinese Mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.