LAWS AND REGULATIONS RELATED TO COMPANIES AND FOREIGN INVESTMENT

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law") was promulgated on December 29, 1993, last amended on December 29, 2023, and came into effect on July 1, 2024. The Company Law regulates the organizational forms, organizational structure, and operational guidelines for companies established within the PRC territory. Except as otherwise provided by laws related to foreign-invested enterprises, the Company Law also applies to foreign-invested enterprises.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), promulgated on March 15, 2019 and effective from January 1, 2020, establishes the regulatory framework for foreign investment in the PRC. In December 2019, the State Council promulgated the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "Implementation Rules") which came into effect in January 2020. The Implementation Rules further clarified that the state shall encourage and promote foreign investment, protect the lawful rights and interests in foreign investments, regulate foreign investment administration, continue to optimize foreign investment environment, and advances a higher-level opening. The Measures for the Administration of Foreign Investment Information Reporting (《外商投資信息報告辦法》) (the "Reporting Measures"), promulgated on December 30, 2019 and effective from January 1, 2020, establishes the detailed framework for the foreign investment information reporting system.

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated by the MOFCOM and the NDRC on September 6, 2024 and brought into effect on November 1, 2024, the Group's business does not fall under such categories where foreign investment is restricted or prohibited.

LAWS AND REGULATIONS RELATED TO AGRICULTURAL DRONES

The State Council and the Central Military Commission of the People's Republic of China promulgated the Interim Regulations on the Flight Administration of Unmanned Aerial Vehicles (《無人駕駛航空器飛行管理暫行條例》) (the "Interim Regulations") on May 31, 2023, which came into effect on January 1, 2024 and became the first regulation targeting the flight and related activities of unmanned aerial vehicles within the territory of China. According to the Interim Regulations, entities engaged in the design, production, import, flight operations, and maintenance of medium-sized and large civil unmanned aircraft systems shall apply to the civil aviation authority of the State Council for and obtain airworthiness approval in accordance with the law. For micro, light, and small civil unmanned aircraft systems, entities engaged in their design, production, import, flight operations, maintenance, as well as assembly and modification activities are not required to obtain airworthiness approval. However, the relevant products shall comply with the provisions of laws and regulations on product quality and the relevant mandatory national standards.

On January 1, 2024, the Ministry of Industry and Information Technology (the "MIIT") promulgated and implemented the Several Provisions on the Administration of the Production of Civil Unmanned Aerial Vehicles (《民用無人駕駛航空器生產管理若干規定》) (the "Provisions of UAV Production"), which further stipulated the production activities of civil unmanned aerial vehicles. According to the Provisions of UAV Production, producers of civil unmanned aerial vehicles shall file the information of the unique product identification code with the MIIT before putting the civil unmanned aerial vehicles on the market. Producers of micro, light, and small civil unmanned aircraft systems shall mark information such as the product type and unique product identification code on the airframe of the unmanned aircraft, and clearly indicate the requirements for lawabiding operation and risk warnings at a prominent position on the product outer packaging. In addition, the production of civil unmanned aerial vehicles shall comply with the laws and regulations on radio administration as well as the relevant provisions of the state on radio administration. Except for micro-power short-range radio transmitting equipment, radio transmitting equipment used in civil unmanned aircraft shall obtain the type approval for radio transmitting equipment in accordance with the law. Telecommunication equipment installed on civil unmanned aircraft that accesses the public telecommunication network shall obtain the network access license for telecommunication equipment in accordance with the law.

The Rules on Operational Safety Management of Civil Unmanned Aerial Vehicles (《民用無人駕駛航空器運行安全管理規則》) (the "Rules") issued and came into effect on January 1, 2024 by the Ministry of Transport of the People's Republic of China, which stipulated matters such as the design approval, production approval, and airworthiness approval of unmanned aerial vehicles. Pursuant to the Rules, the design, production, and airworthiness of domestic medium-sized and large unmanned aerial systems (including unmanned aircraft and their remote control stations, etc.) on or after January 1, 2024, the corresponding approvals must be obtained. These approvals include Type Certificates (TC) (型號許可證), Supplemental Type Certificates (STC) (補充型號許可證), Production Certificates (PC) (生產許可證) and Airworthiness Certificates (AC) (適航證). However, designers and producers of agricultural unmanned aerial systems are not required to obtain an Airworthiness Certificates (AC) (適航證). Further, the Rules stipulates that any person who holds or has applied for a type certificate or a supplementary type certificate may apply for a production certificate. In addition, Civil unmanned aerial vehicle and components produced by holders of production certificates shall obtain airworthiness approval without the need for further certification.

Pursuant to the Interim Regulations, operators engaged in routine agricultural drone flight activities are not required to obtain a pilot license. However, they must receive training and pass an examination conducted by the agricultural drone system producers in accordance with the regulations issued by the competent civil aviation and agriculture authorities under the State Council, and shall obtain an operation certificate after completion of the examination.

LAWS AND REGULATIONS RELATED TO PRODUCT QUALITY AND PRODUCT LIABILITY

The Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), last amended on December 29, 2018, mandates that 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. Manufacturers are liable for product quality and must bear legal responsibility for any quality defects. If a defect in a product causes physical injury or damage to third party property, the party which was injured or incurred damage may claim compensation against the producer or may claim compensation against the seller.

The Law on the Protection of Consumer Rights and Interests of the People's Republic of China (《中華人民共和國消費者權益保護法》), promulgated on October 31, 1993, last amended on October 25, 2013, and effective from March 15, 2014, ensures consumers' lawful rights when purchasing goods or services. Consumers suffering personal injury or property damage due to manufacturing defects may claim compensation from either the seller or the manufacturer. After paying compensation, the seller has the right to recover the loss from the liable manufacturer.

The Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "Civil Code"), enacted on May 28, 2020 and effective as of January 1, 2021, stipulates that manufacturers or sellers shall bear tort liability for personal injury or property damage caused by product defects during production, sale, or circulation.

LAWS AND REGULATIONS RELATED TO WORK SAFETY

The Work Safety Law of the People's Republic of China (amended in 2021) issued by the Standing Committee of the National People's Congress (the "SCNPC") on June 29, 2002, and last amended on June 10, 2021 stipulated that production and operation entities must abide by relevant laws and regulations on work safety, strengthen work safety management, establish and improve work safety responsibility systems and relevant rules and regulations, improve work safety conditions, promote the standardization of work safety, improve the work safety level, and ensure work safety.

LAWS AND REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environmental protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Pollution Discharge Permit

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (固定污染源排污許可分類管理名錄(2019年版)) promulgated by the Ministry of Ecology and Environment and came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform. According to the Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation) (固定污染源排污登記工作指南(試行)) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

Environmental Impact Assessment for Construction Projects

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (the "Construction Environmental Protection Rule"), which was amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, a construction entity shall submit an environmental impact report or an environmental impact statement, or file a registration form.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), which was last amended on December 29, 2018, 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 degree of effect that may be exerted on the environment.

The Construction Environmental Protection Rule also requires that upon completion of construction for which an environment impact report or environment impact statement is formulated, the constructor shall conduct 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.

LAWS AND REGULATIONS RELATED TO FIRE PROTECTION

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "Fire Prevention Law"), was adopted on April 29, 1998 and latest amended on April 29, 2021. According to the Fire Prevention Law, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

LAWS AND REGULATIONS RELATED TO INTERNET INFORMATION SERVICES

Pursuant to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and last amended on December 6, 2024 and the Administration Measures for the Filing of Not-for-profit Internet Information Services (《非經營性互聯網信息服務備案管理辦法》) last revised on January 18, 2024, internet information services are classified into "for-profit internet information services" and "not-for-profit internet information services". The for-profit internet information service refers to service activities to provide information or website design to online users for profit; the not-for-profit internet information service refers to service activities to provide online users open, shared information on internet free of charge. The national government has installed the filing system for not-for-profit internet information service.

Mobile internet application is subject to monitoring by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) promulgated by the Cyberspace Administration of China (the "CAC") on June 28, 2016 and amended on June 14, 2022 and such amendment took effect on August 1, 2022. Under these provisions, the application providers shall establish sound information content review and management mechanism by erecting and improving measures such as user registration, account management, information review, daily inspection and emergency disposal and be staffed with professionals and technical ability appropriate to the service scale.

Pursuant to the Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet (《工業和信息化部關於開展移動互聯網應用程序備案工作的通知》), promulgated by the MIIT on July 21, 2023 and took effective on the same day, any APP sponsor that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Administrative Measures on Internet-based Information Services and other regulations. Any APP sponsor that fails to complete the record-filing formalities shall not engage in APP Internet information services.

LAWS AND REGULATIONS RELATED TO INFORMATION AND CYBERSECURITY

The National Security Law of the People's Republic of China (《中華人民共和國國家安全法》) promulgated and implemented on July 1, 2015, stipulates that the state shall establish a network and information security assurance system, enhance network and information security protection capabilities, strengthen research and development of innovative network and information technologies, and ensure the security and controllability of core network and information technologies, critical infrastructure, and information systems and data in key fields.

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), promulgated on November 7, 2016 and effective on June 1, 2017, regulates network construction, operation, maintenance, and use within the PRC, as well as cybersecurity supervision. The PRC implements a multi-level cybersecurity protection system. Network operators shall fulfill security protection obligations as required by this system to safeguard networks against interference, damage, or unauthorized access, and prevent network data leakage, theft, or tampering. Network operators violating this law may face orders for rectification, warnings, fines, suspension of business operations, website shutdowns, or revocation of business licenses.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated on June 10, 2021, and effective on September 1, 2021, stipulates the data security obligations and responsibilities of entities and individuals engaged in data processing activities. The Data Security Law of the People's Republic of China also establishes a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm caused to national security, public interests, or the lawful rights and interests of individuals and organizations in the event of data tampering, destruction, leakage, or illegal acquisition or use, and requires the adoption of appropriate levels of protective measures corresponding to the respective data security protection levels. Violation of the Data Security Law of the People's Republic of China may result in orders to cease illegal activities, warnings, fines, suspension of business operations for rectification, revocation of business licenses or operating permits, and the directly responsible supervisors or other directly responsible personnel may be fined.

The Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which was promulgated on July 30, 2021 and effective on September 1, 2021, stipulate that a "critical information infrastructure" refers to an important network facility and information system in important industries and fields such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people's livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent authorities shall inform the relevant operators in a timely manner if such operators are determined as the critical information infrastructure operators.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "Cybersecurity Review Measures") jointly revised and promulgated the CAC and other twelve PRC regulatory authorities on 28 December 2021, became effective on 15 February 2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that purchase network products and services or network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with 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; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the enterprise's network products or services, or data processing activities affect or may affect national security.

The Network Data Security Management Regulations (《網絡數據安全管理條例》), promulgated on September 24, 2024, and effective on January 1, 2025, apply to data processing activities conducted within the PRC territory, as well as activities processing the personal information of natural persons within the PRC territory. Specific provisions of the Network Data Security Management Regulations include, but are not limited to, clarifying that data processors must strengthen the protection of network data security, establish and perfect the system of network data security management, and take technical measures such as encryption, backup, access control and security authentication as well as other necessary measures to protect network data from being falsified, destroyed, divulged or illegally acquired or used. The Network Data Security Management Regulations also stipulates that when providing personal information and important data to third parties, data processors must stipulate the purpose, methods, scope, and security protection obligations through contracts or other means.

LAWS AND REGULATIONS GOVERNING THE ARTIFICIAL INTELLIGENCE INDUSTRY

On December 31, 2021, the Cyberspace Administration of China (CAC) and three other departments promulgated the *Provisions on the Management of Algorithm-Based Recommendation for Internet Information Services* (《互聯網信息服務算法推薦管理規定》, referred to as the "Algorithm Recommendation Provisions"), which took effect on March 1, 2022. These Provisions apply to enterprises that use algorithmic technologies to provide Internet information services to users (Algorithm Recommendation Service Providers), such as generative synthesis, personalized recommendation, sorting and selection, retrieval and filtering, and scheduling and decision-making. Algorithm Recommendation Service Providers that possess public opinion attributes or social mobilization capabilities must fulfill filing procedures and conduct security assessments in accordance with relevant national regulations.

On November 25, 2022, the CAC and two other departments issued the *Provisions on the Management of Deep Synthesis Internet Information Services* (《互聯網信息服務深度合成管理規定》, referred to as the "Deep Synthesis Provisions"), which took effect on January 10, 2023. These provisions stipulate obligations for deep synthesis service providers, technical support providers, and users, including verifying the user's real identity, implementing data security and personal information protection measures, strengthening the management of deep synthesis content, and marking information content generated or edited using deep synthesis technology. Deep synthesis service providers that possess public opinion attributes or social mobilization capabilities shall fulfill the procedures for filing, modification, or cancellation of deep synthesis service algorithms in accordance with *Algorithm Recommendation Provisions*.

On July 10, 2023, the CAC and six other departments issued the *Interim Measures for the Management of Generative Artificial Intelligence Services* (《生成式人工智能服務管理暫行辦法》, referred to as the "AIGC Measures"), which took effect on August 15, 2023. Generative Artificial Intelligence technology as referred to in the AIGC Measures means models and related technologies with content generation capabilities such as text, images, audio, and video; Generative Artificial Intelligence Service Provider means an organization or individual that provides generative artificial intelligence services using generative artificial intelligence technology. Regarding the scope of application, the AIGC Measures apply to services that use generative artificial intelligence technology to provide content generation services, such as text, images, audio, and video, to the public within the territory of the People's Republic of China. In terms of governance systems, the AIGC Measures mandate that Generative Artificial Intelligence Service Providers shall conduct training data processing activities, such as pre-training and optimization training, in accordance with the law, and use data and fundamental models from legitimate sources. Where intellectual property rights are involved, providers shall not infringe upon the intellectual property rights enjoyed by others according to law; where personal information is involved, personal consent must be obtained or other circumstances provided by laws and administrative regulations must be met. Providers shall take effective measures to improve the quality of training data and enhance its authenticity, accuracy, objectivity, and diversity; formulate labeling rules, carry out quality assessment of data labeling, and provide training to labeling personnel. For the regulation of generative artificial intelligence services, the AIGC Measures require Generative Artificial Intelligence Service Providers to: take effective measures to prevent minor users from becoming overly reliant on or addicted to generative artificial intelligence services; undertake the responsibilities of personal information processors, fulfill protection obligations for the input information and usage records of generative artificial intelligence service users, and promptly accept and process requests from individuals concerning the access, copying, correction, supplementation, or deletion of their personal information; mark generated content, such as images and videos, in accordance with the Provisions on the Management of Deep Synthesis Internet Information Services; upon discovering illegal content, promptly take disposal measures such as stopping generation, stopping transmission, and elimination, and take corrective measures such as model optimization training; conduct security assessments in accordance with relevant national regulations upon they provide generative artificial intelligence services with public opinion attributes or social mobilization capabilities, and fulfill the procedures for algorithm filing, modification, or cancellation of filing in accordance with Algorithm Recommendation Provisions.

On March 7, 2025, the CAC and three other departments issued the Measures for the Labeling of Content Generated or Synthesized by Artificial Intelligence (《人工智能生成合成內容標識辦法》, referred to as the "Labeling Measures"), which took effect on September 1, 2025. The Labeling Measures clarify that service providers must add explicit and implicit labels to generated/synthesized content such as text, audio, images, video, and virtual scenes. Service providers must clearly state the methods, styles, and other specifications for labeling generated/synthesized content in the user service agreement, and prompt users to carefully read and understand the relevant labeling management requirements. In addition, Article 10 of the Labeling Measures explicitly states that no organization or individual may maliciously delete, tamper with, forge, or conceal the labels of generated/synthesized content, nor may they provide tools or services for others to carry out the aforementioned malicious acts, or damage the legitimate rights and interests of others through improper labeling methods.

During the Track Record Period and up to the Latest Practicable Date, we have not provided generative artificial intelligence services to the public. Among our currently marketed products, we do not utilize generative models or related technologies to provide users with services generating text, images, audio, video, or other content. Consequently, as advised by our PRC Data Compliance Legal Advisor, we do not offer generative AI services as defined in the AIGC Measures and are therefore not required to undergo registration or filing procedures under said AIGC Measures. Should our Group successfully develop relevant technologies under research that constitute generative AI services and trigger registration or filing requirements, our Group will conduct security assessments in accordance with relevant regulations and fulfill the registration or filing procedures.

LAWS AND REGULATIONS RELATED TO PERSONAL INFORMATION PROTECTION

With respect to the security of information collected and used by mobile apps, and to protect the rights and interests of app users pursuant to the Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》), which was issued by the Central Cyberspace Affairs Commission, the MIIT, the MPS, and the SAMR on January 23, 2019, app operators shall collect and use personal information in compliance with the PRC Cybersecurity Law and shall be responsible for the security of personal information obtained from users and take effective measures to strengthen personal information protection. On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the Methods of Identifying Illegal Acts to Collect and Use Personal Information by Apps (《APP違法違規

收集使用個人信息行為認定方法》). This regulation further illustrates certain common illegal practices of app operators in terms of personal information protection and specifies acts of app operators that will be considered as "collection and use of personal information without users' consent".

Pursuant to the Civil Code, personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. Pursuant to the Personal Information Protection Law, "personal information" refers to any kind of information related to an identified or identifiable individual as electronically or otherwise recorded but excluding the anonymised information. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. A personal information processor may process the personal information of this individual only under the circumstances stipulated under the PRC Personal Information Protection Law. Where personal information is to be processed based on the consent of an individual, such consent shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis. If laws or administrative regulations provide that the processing of personal information shall be subject to the separate consent or written consent of the individual concerned, such provisions shall prevail.

LAWS AND REGULATIONS RELATED TO LAND

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land of the PRC (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) promulgated by the State Council on May 19, 1990, last amended on November 29, 2020, and effective on the same date, China adopts a system of assignment and transfer of the right to use state-owned land. The assignment of land use rights may be carried out by agreement, bidding, or auction. The land user shall pay the premium of the land use right to the State, and the State may assign such right to the user for an agreed term. The land user who has obtained the land use right may, within the term of land use, transfer, lease, or mortgage the land use right or use it for other economic activities.

LAWS AND REGULATIONS RELATED TO REAL PROPERTIES

According to the Civil Code, the creation, alteration, alienation, or extinguishment of the property right of a real property shall become effective upon registration in accordance with law. The certificate of ownership of real property shall be evidence of the right holder's entitlement in the real property.

Pursuant to the Urban Real Estate Administration Law of the People's Republic of China (《中華人民共和國城市房地產管理法》) promulgated on July 5,1994, last amended on August 26, 2019 with effect on January 1, 2020, when leasing a house, the lessor and lessee shall sign a written lease contract, prescribing such provisions as the leasing term, use of the house, rental and repair liabilities, and other rights and obligations of both parties; and go through registration procedures for record with the real estate administration department.

According to the Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. Where a lessee subleases the leased object without the consent of the lessor, the lessor may rescind the contract. Where a lessee, upon consent of the lessor, subleases the leased object to a third person, if the term of the sublease exceeds the remaining term of the lessee, the sublease in the period in excess of the original term shall not be legally binding on the lessor unless otherwise agreed by the lessor and the lessee.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) promulgated on December 1, 2010 with effect on February 1, 2011, the parties to the house leasing shall sign a lease contract according to laws, and the lease contract shall be registered with the relevant construction or real estate authorities at the city or county level within 30 days after its signing. If the contents of the house lease registration and filing are changed, the lease is renewed or the lease is terminated, the parties concerned shall, within 30 days, go to the original lease registration and filing department to go through the formalities for the modification, renewal or cancelation of the house lease registration and filing. If the parties involved in the house leasing fail to go through the registration and filing procedures, the parties involved in the house leasing will be ordered to make corrections, and if they fail to make corrections within the time limit, they will be fined.

LAWS AND REGULATIONS RELATED TO IMPORT AND EXPORT OF GOODS

As delineated in the Regulations of PRC Customs on Administration of Recordation of 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 on November 19, 2021, and implemented from January 1, 2022, the term "customs declaration entities" pertains to consignees and consignors of import and export goods, as well as customs declaration enterprises officially registered with the customs authorities. Entities seeking recordation are required to hold valid market entity qualifications. Specifically, importers and exporters must also possess records as foreign trade operators. The recordation status of customs declaration entities is of a permanent nature, while temporary recordation holds a validity period of one year. Upon expiration, entities are entitled to reapply for recordation.

According to the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) promulgated by the SCNPC on October 17, 2020 and effective as of December 1, 2020, the state implements a licensing system for the export of controlled items. Pursuant to the Regulations of the People's Republic of China on the Export Control of Dual-Use Items (《中華人民共和國兩用物項出口管制條例》) promulgated by the State Council on September 30, 2024 and effective on the same date, the export of dual-use items shall obtain a single license, a general license in accordance with the provisions of the Export Control Law and these Regulations, or obtain an export certificate by means of registration and information declaration.

LAWS AND REGULATIONS RELATED TO EMPLOYMENT AND SOCIAL SECURITY

Employment

The major PRC laws and regulations that govern employment relationships are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "Labor Law"), issued by the SCNPC on July 5, 1994, and last revised on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), or the Labor Contract Law, which was amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was issued by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Social Security

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was newly revised on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering basic pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and basic medical insurance. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to rectify within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. If the employer fails to pay social insurance contributions on time and in full, the social insurance agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment at the rate of 0.05% per day shall be levied as of the date of indebtedness. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but less than its triple shall be demanded by the authoritative administrative department.

Apart from the general provisions about social insurance, specific provisions on various types of insurance are set out in the Regulations on Work-Related Injury Insurance (《工傷保險條例》) (issued by the State Council on April 27, 2003, came into effect on January 1, 2004 and revised on December 20, 2010), the Regulations on Unemployment Insurance (《失業保險條例》) (issued by the State Council on January 22, 1999 and came into effect on the same day), the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) (issued by the Ministry of Labor on December 14, 1994 and came into effect on January 1, 1995). Enterprises subject to these regulations shall provide their employees with the corresponding insurance.

On July 31, 2025, the Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "New Judicial Interpretation"), which took effect on September 1, 2025. Article 19(1) of the New Judicial Interpretation stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Further, the relevant employee has the right to terminate the labor contract and claim economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law.

Our Directors are of the view that the New Judicial Interpretation would not have a material adverse effect on our business, financial condition or results of operations primarily because, as advised by the PRC Legal Advisor, the New Judicial Interpretation does not expand the scope of penalties or repeal the provisions of existing laws and regulations.

Housing Provident Fund

According to the Regulations Concerning the Administration of Housing Provident Fund (《住房公積金管理條例》), amended on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center.

Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

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 March 12, 1984 and further amended October 17, 2020 and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), last amended on December 11, 2023 by the State Council and came into effect on January 20, 2024, the term "invention-creations" refers to inventions, utility models and designs. The duration of a patent right shall be 20 years for inventions, 10 years for utility models and 15 years for designs, all commencing from their respective application date.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "Trademark Law"), which was promulgated by the SCNPC on August 23,1982 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Domain Names

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. Communication administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register".

Copyright

The SCNPC adopted PRC Copyright Law (《中華人民共和國著作權法》) in 1990 and most recently amended in 2020, with its implementing rules adopted in 1991 and most recently amended in 2013 by State Council. In addition, there is a voluntary registration system administered by the China Copyright Protection Center. According to the aforementioned law and regulation, the term of protection for the right of publication of a work is fifty years. In order to further implement the Regulations for the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and last amended on January 30, 2013, the National Copyright Administration issued the Registration of Computer Software Copyright Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which applies to software copyright registration, license contract registration and transfer contract registration with respect to software copyright.

LAWS AND REGULATIONS RELATED TO FOREIGN EXCHANGE AND OVERSEAS INVESTMENT AND DIVIDEND DISTRIBUTION

Foreign Exchange and Overseas Investment

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

The SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015, which was partially abolished in December 2019 and prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), or the SAFE Circular 21, which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, promulgated on March 30, 2015, coming into effect on June 1, 2015 and partially abolished on December 30, 2019 and March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to directly or indirectly provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been relent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《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》), or the SAFE Circular 16, which was amended on December 4, 2023. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from the foreign exchange may not be used to extend loans in RMB or repay inter-company loans (including advances by third parties).

On October 23, 2019, the SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (Hui Fa [2019] No. 28) (《關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)) which became effective on the same date (except for Clause 2 of Article 8, which became effective on January 1, 2020, and partly amended on December 4, 2023). The Notice cancels restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises.

According to the Notice on Optimizing Foreign Exchange Management to Support the Development of Foreign Businesses (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to use revenue under capital accounts, such as capital funds, foreign debt offering proceeds, and remitted foreign listing proceeds for domestic payments without providing supporting materials to the bank in advance for authenticity verification; provided that the use of funds should be true, in compliance with applicable rules and conforming to the current administrative regulations for use of revenue from capital accounts. Relevant banks should conduct spot checks in accordance with relevant provisions.

LAWS AND REGULATIONS RELATED TO TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) amended by the SCNPC and came into effect on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) amended by the State Council and came into effect on January 20, 2025, an enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (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. Preferential enterprise income tax is granted to industries and projects that are supported and encouraged by the country. For high and new technology enterprises that need key support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Withholding Tax

Pursuant to the EIT Law and the EIT Implementation Rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. According to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) effective from December 8, 2006, dividends repatriated from a PRC entity to its Hong Kong shareholder owning more than 25% of capital would be entitled to a reduced withholding tax rate of 5% subject to certain conditions.

The State Taxation Administration, or the SAT, issued the Administrative Measures on Entitlement of Non-residents to Treatment under Treaties (《非居民納稅人享受協定待遇管理辦法》) on October 14, 2019 and effective on January 1, 2020, which applies to non-resident taxpayers who have tax liability in China and need to claim treaty benefits. Non-resident taxpayers enjoying their tax treaty benefits shall adopt the method of "self-assessment, claims by declaration and retention of the relevant materials for future inspection". Non-resident taxpayers who make their own declaration shall make a self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant reports, statements and materials as required, and simultaneously collect and retain the relevant materials for future inspection.

Value-Added Tax

With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued the Notice of the MOF and the SAT on Adjusting VAT Rates (《關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment that the tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which became effective on January 1, 2026, and the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) was abolished.

REGULATIONS RELATED TO DIRECT INVESTMENT

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas investment, an enterprise in Chinese Mainland shall apply for foreign exchange registration for its overseas direct investments. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC which become effect on March 1, 2018, investment entities carrying out overseas investment shall comply with the procedures of approval or filing to the competed authorities. For non-sensitive outbound investment projects which the amount of Chinese investment in the project is less than USD300 million and directly carried out by a local enterprise in Chinese Mainland, the filing shall be conducted to the provincial counterpart of the NDRC where the investment entity is registered. When an enterprise invests in an offshore enterprise to carry out offshore reinvestment, the enterprise should report to the competent commercial department after completing the offshore legal formalities.

REGULATIONS RELATED 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 February 17, 2023, which took effect on March 31, 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. Where an issuer submits an application for [**REDACTED**] 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 [**REDACTED**].

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 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 February 24, 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 March 31, 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 national provisions.

REGULATIONS RELATED TO H SHARE FULL CIRCULATION

Full circulation means listing and circulation on the Stock Exchange of the domestic Unlisted Shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and Unlisted Shares held by foreign shareholders) of H-share companies. On November 14, 2019, the CSRC issued the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》), which was amended on August 10, 2023, allowing certain qualified H-share companies and H-share companies intended for listing to apply to the CSRC for full circulation. According to the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H-share Companies, shareholders of domestic Unlisted Shares may determine by themselves through consultation the amount and proportion of shares, with filing to the CSRC by an H-share company commissioned for this purpose. After the application for full circulation has been filed by the CSRC, an H-share company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC of the shares related to the application has been completed.

According to the Guide for "Full Circulation" Business of H Shares (《H股"全流通"業務指南》) issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (the "CSDCC Shenzhen Branch") on September 20, 2024 amended on June 27, 2025 and became effective on June 30, 2025, the H-share companies shall transfer the full amount of cash dividends in RMB to the bank account of CSDCC Shenzhen Branch before 16:00 on the distribution date of cash dividends as published in the announcement. The CSDCC Shenzhen Branch shall complete clearing of the dividend funds within three H-share "full circulation" working days after the distribution date of cash dividends as published in the announcement, and then the dividend funds will be released to domestic securities companies, and the domestic securities companies will release the dividend funds to the investors.

According to the Overseas Listing Trial Measures, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed in an overseas stock exchange, shall comply with the relevant regulations of the CSRC and entrust domestic enterprises to file with the CSRC.

UNITED STATES IMPORT COMPLIANCE REQUIREMENTS

To sell our products in the United States, we must comply with applicable import restrictions and regulatory requirements, including but not limited to:

(i) FCC Certification: All wireless products are subject to mandatory certification under the rules of the Federal Communications Commission ("FCC"). Pursuant to the Communications Act of 1934 and 47 CFR Part 15, any radio frequency equipment sold, imported, or used in the United States must meet FCC technical standards and obtain an FCC equipment authorization (FCC ID). Non-compliance may result in enforcement actions, including product seizure, civil penalties of up to US$100,000 per violation, and potential criminal liability.

(ii) Energy Efficiency Certification: Certain electronic and electrical products are subject to mandatory energy efficiency standards under the U.S. Department of Energy's Energy Conservation Program, as set forth in 10 CFR Parts 429 and 430. Covered products must meet minimum energy performance requirements and bear the Energy Guide label mandated by the Federal Trade Commission. Failure to comply may lead to fines, product recalls, and prohibition of sales in the U.S. market.

If we fail to obtain the required certifications or meet applicable standards, our products may be denied entry into the United States, and we could face penalties, increased compliance costs, reputation damage, and disruption of our overseas sales.

UNITED STATES CUSTOMS REGULATIONS

The U.S. customs regulations, administered by U.S. Customs and Border Protection (CBP) apply to any products entering the U.S. Those regulations cover, among other areas, valuation of goods, classification, recordkeeping requirements, entry formalities, and laws related to duties and tariffs. The U.S. imposes tariffs on certain goods imported from various countries. Tariff rates are generally set forth in the Harmonized Tariff Schedules of the United States (the "HTSUS"). Note that embargoes, antidumping duties, countervailing duties, and other specific matters administered by the U.S. executive branch are not contained in the HTSUS and that various regulations or administrative actions could result in modification of these duties. Section 201 of the Trade Act of 1974, 19 USC § 2101 et. Seq. (the "Trade Act") permits the President of the U.S. to grant temporary import relief by raising import duties or imposing non-tariff barriers (e.g., quotas) on goods entering the U.S. that injure or threaten to injure domestic industries producing similar goods. Section 301 of the Trade Act authorizes the President of the U.S. to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce. Currently, U.S. and China trade policy has given rise to the imposition of significant additional tariffs on products imported into the U.S. from China, and vice versa, under Sections 201 and 301 of the Trade Act. To date, four lists of products imported from China, identified by HTSUS codes, have been issued with various tariff impositions. The U.S. government also imposed additional tariffs on certain specific products. Depending on the latest development of the trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time.

REGULATIONS RELATED TO INTERNATIONAL TRADE RESTRICTIONS

The following is a summary of the sanctions regimes imposed by the jurisdictions below. This summary does not intend to set out the laws and regulations relating to the U.S., the EU, the UK, the UN, Australian and Canadian sanctions in their entirety.

United States

U.S. sanctions include both "primary" and "secondary" sanctions, as well as non-blocking "list-based" sanctions. OFAC administers and enforces the majority of U.S. sanctions programs.

U.S. primary sanctions generally prohibit U.S. persons from engaging in any transaction with or providing almost any goods or services for the benefit of the targeted country, entity or individual. U.S. law may also require a U.S. person to "block" any assets owned, controlled or held for the benefit of a sanctioned country, entity, or individual, meaning no transaction may be undertaken or effected with respect to the asset, except pursuant to an authorisation or license from OFAC. U.S. primary sanctions also prohibit U.S. persons from facilitating any transaction by a foreign person where the transaction by that foreign person would be prohibited if performed by a U.S. person or within the United States.

The U.S. has also enacted secondary sanctions targeting non-U.S. persons engaged in prohibited transactions (e.g., significant transactions with parties blocked under U.S. sanctions). The detailed rules of such secondary sanctions differ by sanctions programs. Non-U.S. persons found to be in breach of secondary sanctions may be denied access to the U.S. economic system, including being designated as SDNs themselves.

On the other hand, the U.S. have also implemented stringent export control regulations. BIS regulates exports of commercial and dual-use products, and software and technology. These controls are authorized by the Export Administration Act of 1979, as amended and extended, and implemented by the EAR.

The EAR applies to exports of commodities, software and technical data from the U.S. to foreign countries, and to re-exports from one foreign country to another. In addition, the EAR applies to shipments from one foreign country to another of foreign-made products that incorporate more than a de minimis amount of U.S.-controlled parts, components, or materials, as well as foreign-made products that are direct products of certain controlled U.S. software or technology.

United Nations

The UN can take action to maintain or restore international peace and security under Chapter VII of the UN Charter. It does this by way of resolutions passed by the UN Security Council. UN Security Council sanctions have taken a number of different forms and have measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions.

European Union

The EU has over 40 different sanctions regimes in place. EU sanctions apply to individuals and entities nationalized or incorporated within the EU; located on board an aircraft or vessel subject to EU jurisdiction; while in the territory or airspace of the EU, and with respect to business done in the EU.

Regulation 2021/821 controls the export of controlled dual-use products and technology from the EU to a non-EU country; the provision of technical assistance relating to controlled items; and the brokering of transactions involving the transfer of controlled goods, restricted products and certain non-controlled products.

United Kingdom

The UK now operates its own sanctions regime. UK sanctions apply: (a) within the territory and territorial waters of the UK and to all UK Persons, wherever they are in the world; (b) to all individuals and legal entities who are within or undertake activities within the UK's territory; and/or (c) to all UK nationals and UK legal entities established under UK law, including their non-UK branches (but not separately incorporated non-UK subsidiaries), irrespective of where their activities take place. OFSI mainly administers UK sanctions and maintains lists of targets of UK financial sanctions.

Australia

Australia has a dual sanctions regime consisting of sanctions measures imposed by the UN, together with Australian autonomous sanctions imposed by the Australian Government as a matter of its foreign policy. The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to: (i) any person in Australia; (ii) any Australian anywhere in the world; (iii) activities in Australia; (iv) companies incorporated overseas that are owned or controlled by Australians or persons in Australia; and/or (v) any person using an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions.

Canada

Canada maintains a dual sanctions regime consisting of UN sanctions which are enacted into domestic regulations via Canada's United Nations Act, and autonomous sanctions. Canadian autonomous sanctions prohibit persons located in Canada and Canadians outside of the country from various activities involving a designated foreign state, including the acquisition of goods from the designated foreign state; the provision of data to the foreign state; and the exportation, sale, supply or shipment of goods to the foreign state.

U.S. Outbound Investment Rule

On October 28, 2024, the Treasury released a final rule (the "**Outbound Investment Rule**"), implementing Executive Order 14105, prohibiting or requiring the notification of certain outbound foreign investments by U.S. persons into certain "countries of concern," currently defined to include only China (including Hong Kong and Macao). Effective January 2, 2025 and subject to certain exceptions, the Outbound Investment Rule prohibits U.S. persons from, or requires notification to the U.S. government of, any (i) "covered transaction" involving (ii) a "covered foreign person" (iii) who is engaged in any "covered activity" involving the semiconductors and microelectronics, quantum information technologies and artificial intelligence sectors. A "covered transaction" includes acquisitions of equity interests (including purchases of shares in an [**REDACTED**] or contingent equity) and a "covered foreign person" is defined as any entity with meaningful ties to China that engages in "covered activities."

In addition, on December 18, 2025, the U.S. Congress enacted the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**"), which proposed to expand the Outbound Investment Rule's sectoral coverage and geographic coverage. The COINS Act also directs the Treasury expand and clarify the scope of certain excepted transactions. The Treasury has 450 days to amend the Outbound Investment Rule to conform with the provisions set forth therein, and the existing rules remain in effect until then.