REGULATORY OVERVIEW IN THE PRC

Our business operations are subject to extensive supervision and regulation in the PRC. This section sets out a summary of the material PRC laws, regulations and policies to which we are subject.

Laws and Regulations Relating to Companies

Pursuant to the PRC Company Law, which was promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on December 29, 1993, last amended on December 29, 2023, and came into effect on July 1, 2024, the PRC Company Law applies to limited liability companies and joint stock limited companies established within the territory of the PRC, and unless otherwise provided by laws on foreign investment, foreign-invested enterprises are also governed by the PRC Company Law.

Laws and Regulations Relating to Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the following laws and regulations: the Foreign Investment Law of the People's Republic of China (the "Foreign Investment Law"), which was promulgated by the NPC on March 15, 2019 and became effective on January 1, 2020; and the Regulations on Implementing the Foreign Investment Law of the People's Republic of China (the "Foreign Investment Law Implementation Regulations"), which were promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020.

According to the Foreign Investment Law, "foreign investment" refers to investment activities carried out directly or indirectly within the territory of the PRC by foreign natural persons, enterprises or other organizations (the "Foreign Investors"), including the following circumstances: (i) a Foreign Investor establishing a foreign-invested enterprise in the PRC individually or jointly with any other investor; (ii) a Foreign Investor obtaining shares, equities, property shares or any other similar rights and interests of an enterprise within the PRC; (iii) a Foreign Investor investing in a new project within the PRC individually or jointly with any other investor; and (iv) investments made by other means as provided by laws, administrative regulations, or the State Council. Pursuant to the Foreign Investment Law Implementation Regulations, investments in the PRC by investors from the Hong Kong Special Administrative Region and the Macao Special Administrative Region shall be handled by reference to the Foreign Investment Law and the Foreign Investment Law Implementation Regulations, unless otherwise provided by laws, administrative regulations or the State Council.

The Foreign Investment Law stipulates that the State implements a management system of pre-establishment national treatment plus a negative list for foreign investment. "Pre-establishment national treatment" means that the treatment accorded to foreign investors and their investments during the investment access stage shall not be less favorable than that accorded to domestic investors and their investments. A "negative list" refers to special administrative measures for access to foreign investment implemented by the State in specific fields. Foreign Investment Law grants national treatment to foreign investment outside the negative list. The negative list is promulgated or approved for promulgation by the State Council. The Foreign Investment Law Implementation Regulations further clarify that the State encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investors, regulates the administration of foreign investment, continuously optimizes the environment for foreign investment, and promotes a higher level of opening up.

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (the "Negative List 2024"), which was jointly revised and issued by the National Development and Reform Commission of the People's Republic of China (the "NDRC") and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024 (replacing the previous negative list), where a domestic enterprise engages in a business falling within the prohibited industries under the Negative List 2024 and seeks to issue shares for an overseas listing, it shall obtain the consent of the relevant competent department of the State for review, and overseas investors shall not participate in the operation and management of the enterprise, and their shareholding ratio shall be implemented with reference to the relevant provisions on the administration of securities investment in China by overseas investors.

Laws and Regulations Relating to Overseas Investment

Pursuant to the Measures for Overseas Investment Management (《境外投資管理辦法》), which was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by filing or by approval on a case-by-case basis for overseas investment by enterprises. Where overseas investment by an enterprise involves sensitive countries or regions or sensitive industries, it shall be subject to administration by approval. For other cases of overseas investment by an enterprise, administration by filing shall apply.

Pursuant to the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》), which was issued by the NDRC on December 26, 2017 and came into effect on March 1, 2018, a domestic enterprise (the "Investment Entity") making overseas investment shall go through formalities such as approval or filing for the overseas investment project, report relevant information, and cooperate with supervision and inspection. The scope subject to approval management covers sensitive projects carried out directly by the Investment Entity or through overseas enterprises controlled by it. The scope subject to filing management covers non-sensitive projects carried out directly by the Investment Entity, i.e., non-sensitive projects involving the Investment Entity's direct contribution of assets or interests or provision of financing or guarantees. The aforementioned "sensitive projects" refer to projects involving sensitive countries or regions, or sensitive industries. The catalog of sensitive industries is issued by the NDRC. 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)》), which came into effect on March 1, 2018.

Laws and Regulations Relating to Product Quality

According to the Product Quality Law of the People's Republic of China (the "Product Quality Law"), which was promulgated by the SCNPC on February 22, 1993, implemented since September 1, 1993, and last amended on December 29, 2018 with immediate effect, any entity engaging in product production and sales activities within the territory of the PRC must comply with the Product Quality Law. A producer shall be responsible for the quality of the products it produces and sells. The quality of a product shall meet the following requirements: (i) it shall be free from unreasonable dangers endangering personal safety or property safety, and where there are national or industrial standards for ensuring human health and personal or property safety, it shall conform to such standards; (ii) it shall possess the performance features it ought to possess, except where an explanation is made about its defects in performance; and (iii) it shall conform to the product standards adopted as indicated on the product or its packaging, and to the quality conditions indicated by way of product descriptions, physical samples, etc. In case of violation of the Product Quality Law, the market supervision and administration department has the power to order the producer or seller to stop production or sales, confiscate the products illegally produced or sold and impose a fine. If the circumstances are serious, the business license shall be revoked. If a crime is constituted, criminal liability shall be investigated in accordance with the law.

Pursuant to the Civil Code of the People's Republic of China, which was promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, if a defect in a product causes damage to another person, the injured person may claim compensation from the producer or the seller of the product, and shall have the right to request the producer and the seller to bear tort liability, such as cessation of the infringement, removal of the obstruction, and elimination of the danger.

Laws and Regulations Relating to Work Safety

Pursuant to the Work Safety Law of the People's Republic of China (the "Work Safety Law"), which was promulgated by the SCNPC on June 29, 2002, implemented since November 1, 2002, last amended on June 10, 2021, and came into effect on September 1, 2021, entities engaged in production and business operation activities within the territory of the PRC must comply with the Work Safety Law and other laws and regulations relating to work safety. Production and business operation entities shall strengthen work safety management, establish and improve a full-staff work safety responsibility system and work safety rules and regulations, improve work safety conditions, promote the standardization of work safety, enhance the level of work safety, and ensure work safety. The principal person in charge of a production and business operation entity shall be fully responsible for the work safety of the entity. Violation of the Work Safety Law may result in fines, suspension of production or business operation, or an order to cease production or business operation, and if serious consequences are caused, criminal liability will be investigated.

Laws and Regulations Relating to Fire Protection

According to the Fire Protection Law of the People's Republic of China, which was promulgated by the SCNPC on April 29, 1998, implemented since September 1, 1998, last amended on April 29, 2021 and came into effect on the same date, and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance for Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which was promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, implemented since June 1, 2020, last amended on August 21, 2023, and came into effect on October 30, 2023, the fire protection design and construction of a construction project must comply with the national technical standards for construction fire protection. For construction projects that require fire protection design according to national technical standards for construction fire protection, a system of fire protection design review and acceptance for construction projects shall be implemented. Upon completion of a construction project for which the competent department of housing and urban-rural development under the State Council stipulates that a fire protection acceptance application is required, the project owner shall apply to the competent department of housing and urban-rural development for fire protection acceptance. For other construction projects other than those mentioned above, the project owner shall, after acceptance, file with the competent department of housing and urban-rural development for the record, and such department shall conduct random inspections. Construction projects that are subject to fire protection acceptance in accordance with the law shall be prohibited from being put into use if they have not undergone or have failed the fire protection acceptance. Other construction projects that are found unqualified after random inspections according to law shall cease use.

Laws and Regulations Relating to Radiation Safety

According to the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution, which was promulgated by the SCNPC on June 28, 2003 and came into effect on October 1, 2003, entities that produce, sell or use radioisotopes and ray devices shall, in accordance with the relevant provisions of the State Council on radiation protection for radioisotopes and ray devices, apply for a license and go through registration formalities. Entities that produce, sell, use or store radioactive sources shall establish a sound safety and security system, designate a special person to be responsible, ensure the implementation of the safety responsibility system, and formulate necessary emergency measures for accidents.

Pursuant to the Regulations on the Safety and Protection of Radioisotopes and Radiation Devices, which were promulgated by the State Council on September 14, 2005, implemented since December 1, 2005, last amended on March 2, 2019 and came into effect on the same date, and the Administrative Measures for the Safety Licensing of Radioisotopes and Radiation Devices, which were promulgated by the Ministry of Environmental Protection of the People's Republic of China (the predecessor of the Ministry of Ecology and Environment of the People's Republic of China (the

"Ministry of Ecology and Environment")) on January 18, 2006, implemented since March 1, 2006, last amended on January 4, 2021 and came into effect on the same date, any entity that produces, sells or uses radioisotopes or various types of radiation devices must obtain a radiation safety license.

Laws and Regulations Relating to Import and Export

Pursuant to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), which was promulgated by the SCNPC on May 12, 1994, effective as of July 1, 1994, and most recently amended on December 27, 2025, effective as of March 1, 2026, and the Measures for the Filing and Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》), which were most recently amended by the MOFCOM on May 10, 2021 and effective as of the same date, any foreign trade operator engaged in the export of goods or technologies was required to complete filing and registration with the MOFCOM or its authorized agencies prior to December 30, 2022. Effective from December 30, 2022, the aforesaid filing and registration requirement has been abolished.

Pursuant to the Customs Law of the People's Republic of China (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987, effective as of July 1, 1987, and most recently amended on April 29, 2021, effective as of the same date, and the Provisions of the General Administration of Customs of the People's Republic of China on the 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》), which were promulgated by the General Administration of Customs of the PRC (the "GAC") on November 19, 2021 and effective as of January 1, 2022, a "customs declaration entity" refers to an importer or exporter of import or export goods, or a customs broker, that has completed record-filing with the customs in accordance with these Provisions. An importer or exporter of import or export goods, or a customs broker, applying for record-filing shall obtain the status of a market entity; furthermore, an importer or exporter of import or export goods applying for record-filing was also required to obtain the foreign trade operator filing.

Pursuant to the Notice of the Department of Enterprise Management and Inspection of the GAC on Matters Concerning the Filing for Record of Importers and Exporters of Import and Export Goods (《關於進出口貨物收發貨人備案有關事宜的通知》), which was promulgated and effective as of January 3, 2023, an importer or exporter of import or export goods applying for record-filing shall obtain the status of a market entity, and is no longer required to obtain the foreign trade operator filing.

Laws and Regulations Relating to Anti-Monopoly and Anti-Unfair Competition

Anti-Monopoly

According to the Anti-Monopoly Law of the People's Republic of China (the "Anti-Monopoly Law"), which was promulgated by the SCNPC on August 30, 2007, implemented since August 1, 2008, last amended on June 24, 2022 and came into effect on August 1, 2022, the Anti-Monopoly Law applies to monopolistic conduct in economic activities within the territory of the PRC, as well as monopolistic conduct outside the territory of the PRC that has the effect of excluding or restricting competition in the domestic market. Monopolistic conduct as stipulated by the Anti-Monopoly Law includes monopoly agreements reached between business operators, abuse of dominant market position by business operators, and concentrations of business operators that have or may have the effect of excluding or restricting market competition. The anti-monopoly law enforcement agency of the State Council is responsible for anti-monopoly law enforcement work in accordance with the provisions of the Anti-Monopoly Law. The anti-monopoly law enforcement agency of the State Council may, based on work needs, authorize the corresponding agencies of the people's governments of provinces, autonomous regions, and municipalities directly under the central government to be responsible for relevant anti-monopoly law enforcement work. Where a business operator violates the provisions of the Anti-Monopoly Law, the anti-monopoly law enforcement agency shall order it to cease the illegal act, and may impose a fine.

Anti-Unfair Competition Law

Pursuant to the Anti-Unfair Competition Law of the People's Republic of China (the "Anti-Unfair Competition Law"), which was promulgated by the SCNPC on September 2, 1993, implemented since December 1, 1993, last amended on June 27, 2025 and came into effect on October 15, 2025, business operators shall adhere to the principles of voluntariness, equality, fairness, and good faith in market transactions, comply with laws and business ethics. "Unfair competition" as referred to in the Anti-Unfair Competition Law means conduct by a business operator that, in the course of its production and operation activities, violates the provisions of the Anti-Unfair Competition Law, disrupts the order of market competition, and damages the legitimate rights and interests of other business operators or consumers. Where a business operator violates the provisions of the Anti-Unfair Competition Law, it shall bear civil liability, administrative liability, and criminal liability as the case may be, depending on the specific circumstances.

Laws and Regulations Relating to Environmental Protection

Environmental Protection

According to the Environmental Protection Law of the People's Republic of China, which was promulgated by the SCNPC on December 26, 1989 and came into effect on the same date, last amended on April 24, 2014, and came into effect on January 1, 2015, enterprises, public institutions, and other producers and business operators shall prevent and reduce environmental pollution and ecological damage, and shall bear liability for any damage caused in accordance with the law. Entities that discharge pollutants shall take measures to prevent and control, during production, construction or other activities, the pollution and harm caused to the environment by, among others, waste gas, waste water, waste residue, medical waste, dust, malodorous gases, radioactive substances, as well as noise, vibration, light radiation, and electromagnetic radiation.

Atmospheric Pollution

According to the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, which was promulgated by the SCNPC on September 5, 1987, implemented since June 1, 1988, last amended on October 26, 2018 and came into effect on the same date, enterprises, public institutions, and other producers and business operators shall, in accordance with relevant state regulations and monitoring norms, monitor the industrial waste gases they discharge and the toxic and harmful atmospheric pollutants listed in the catalog stipulated in Article 78 of the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and preserve the original monitoring records. Enterprises, public institutions, and other entities that discharge industrial waste gases or the toxic and harmful atmospheric pollutants listed in the aforementioned catalog, as well as other entities subject to pollutant discharge permit management, shall obtain a pollutant discharge permit.

Water Pollution

According to the Water Pollution Prevention and Control Law of the People's Republic of China, which was promulgated by the SCNPC on May 11, 1984, implemented since November 1, 1984, last amended on June 27, 2017 and came into effect on January 1, 2018, enterprises, public institutions, and other producers and business operators that directly or indirectly discharge industrial wastewater or medical sewage into water bodies, or other wastewater or sewage that requires a pollutant discharge permit for discharge as stipulated by other regulations, shall obtain a pollutant discharge permit.

Solid Waste

According to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, which was promulgated by the SCNPC on October 30, 1995, implemented since April 1, 1996, last amended on April 29, 2020 and came into effect on September 1, 2020, any entity or individual that generates, collects, stores, transports, utilizes, or disposes of solid waste shall take measures to prevent or reduce environmental pollution by solid waste, and shall bear liability for the environmental pollution caused in accordance with the law.

Noise Pollution

According to the Noise Pollution Prevention and Control Law of the People's Republic of China, which was promulgated by the SCNPC on December 24, 2021 and came into effect on June 5, 2022, the discharge of noise and generation of vibration shall comply with noise emission standards, relevant environmental vibration control standards, and the requirements of relevant laws, regulations, and rules.

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the People's Republic of China, which was promulgated by the SCNPC on October 28, 2002, implemented since September 1, 2003, last amended on December 29, 2018 and came into effect on the same date, and the Regulations on the Administration of Construction Project Environmental Protection, which were promulgated by the State Council on November 29, 1998 and came into effect on the same date, last amended on July 16, 2017 and came into effect on October 1, 2017, the State implements an environmental impact assessment system for construction projects. For a construction project that may have a significant impact on the environment, an environmental impact report shall be prepared for a comprehensive evaluation of the potential environmental impacts; for a construction project that may have a minor impact on the environment, an environmental impact statement shall be prepared for analysis or special evaluation of the environmental impacts; for a construction project that has a very small environmental impact and does not require an environmental impact assessment, an environmental impact registration form shall be completed. If the environmental impact assessment document for a construction project has not been reviewed and approved by the competent examination and approval authority, the project owner shall not commence construction. Upon completion of a construction project for which an environmental impact report or environmental impact statement was prepared, the project owner shall, in accordance with the standards and procedures stipulated by the competent administrative department for environmental protection under the State Council, conduct acceptance of the supporting environmental protection facilities and prepare an acceptance report. The supporting environmental protection facilities for such projects may be put into production or use only after they have passed the acceptance inspection; they shall not be put into production or use if they have not undergone acceptance inspection or have failed the acceptance inspection.

Enterprises that violate the above laws and regulations may be ordered by the competent administrative department for environmental protection at or above the county level to stop production or construction, be fined, and may be ordered to restore the original state.

Pollutant Discharge Permit

According to the Regulations on the Administration of Pollutant Discharge Permits, which were promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, and the Classified Management Catalog for Pollutant Discharge Permits of Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), which was published by the Ministry of Ecology and Environment on December 20, 2019 and came into effect on the same date, enterprises, public institutions, and other producers and business operators that are subject to pollutant discharge permit management as stipulated by law shall apply for and obtain a pollutant discharge permit in accordance with the regulations; without a pollutant discharge permit, they shall not discharge pollutants. For pollutant discharge entities with a relatively large amount of pollutant generation, emissions, or a relatively large impact on the environment, key management of pollutant discharge permits shall be implemented; for pollutant discharge entities with a relatively small amount of pollutant generation, emissions, and a relatively small impact on the environment, simplified management of pollutant discharge permits shall be implemented; for pollutant discharge entities with a very small amount of pollutant generation, emissions, and a very small impact on the environment, pollutant discharge registration management shall be implemented.

Laws and Regulations Relating to Labor and Social Security

Labor Regulations

According to the Labor Law of the People's Republic of China, which was promulgated by the SCNPC on July 5, 1994, implemented since January 1, 1995, last amended on December 29, 2018 and came into effect on the same date; the Labor Contract Law of the People's Republic of China, which was promulgated by the SCNPC on June 29, 2007, implemented since January 1, 2008, last amended on December 28, 2012 and came into effect on July 1, 2013; and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China, which were issued by the State Council on September 18, 2008 and came into effect on the same date, a written labor contract shall be concluded when an employment relationship is established between an employer and an employee. An employer shall truthfully inform the employee of the job content, working conditions, workplace location, occupational hazards, work safety conditions, labor remuneration, and other information that the employee requests to know. An employer shall pay labor remuneration to the employee in full and on time in accordance with the provisions of the labor contract and relevant laws and regulations. Meanwhile, an employee's wages shall not be lower than the local minimum wage standard.

Social Insurance

According to the Social Insurance Law of the People's Republic of China, which was promulgated by the SCNPC on October 28, 2010, implemented since July 1, 2011, last amended on December 29, 2018 and came into effect on the same date; the Interim Regulations on the Collection and Payment of Social Insurance Premiums, which were promulgated by the State Council on January 22, 1999 and came into effect on the same date, last amended on March 24, 2019 and came into effect on the same date; and the Regulations on Work-related Injury Insurance, which were promulgated by the State Council on April 27, 2003, implemented since January 1, 2004, last amended on December 20, 2010 and came into effect on January 1, 2011, an enterprise shall register for social insurance with the local social insurance department and pay social insurance for its employees. If an enterprise fails to pay the aforementioned social insurance premiums, the social insurance premium collection agency shall order it to pay or make up the amount within a prescribed time limit; if it still fails to pay after the time limit, it will face administrative penalties such as fines.

Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund, which were promulgated by the State Council on April 3, 1999 and came into effect on the same date, last amended on March 24, 2019 and came into effect on the same date, an enterprise shall complete the registration for housing provident fund contribution with the housing provident fund management center, and handle the procedures for opening or transferring housing provident fund accounts for its employees. An enterprise shall contribute to the housing provident fund on time. If an enterprise fails to contribute or contributes less than required to the housing provident fund on time, the housing provident fund management center shall order it to make up the contribution within a prescribed time limit; if it still fails to contribute after the time limit, an application may be made to the people's court for compulsory enforcement.

Laws and Regulations Relating to Land and Real Estate

According to the Land Administration Law of the People's Republic of China, which was promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019, and came into effect on January 1, 2020, the PRC implements a land use control system, which includes agricultural land, construction land, and unused land. All units and individuals must use land strictly in accordance with the purposes determined by the overall land use plan. The registration of land ownership and use rights shall be carried out in accordance with the laws and administrative regulations on real estate registration. The ownership and use rights of land registered in accordance with the law shall be protected by law and shall not be infringed upon by any unit or individual.

According to the Interim Regulations on Real Estate Registration, which were promulgated by the State Council on November 24, 2014, last amended on March 10, 2024, and came into effect on May 1, 2024; and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration, which were promulgated by the Ministry of Land and Resources on January 1, 2016, last amended on May 9, 2024, and came into effect on May 9, 2024, the State implements a unified real estate registration system.

According to the Construction Law of the People's Republic of China, which was promulgated by the SCNPC on November 1, 1997, last amended on April 23, 2019, and came into effect on April 23, 2019, before the commencement of a construction project, the project owner shall, in accordance with relevant state regulations, apply to the competent administrative department for construction of the people's government at or above the county level where the project is located for a construction permit; however, this does not apply to small-scale projects below a limit determined by the competent administrative department for construction of the State Council. For construction projects for which a commencement report has been approved in accordance with the authority and procedures prescribed by the State Council, a construction permit is no longer required. The project owner shall commence construction within three months from the date of obtaining the construction permit. If construction cannot be commenced on time for a valid reason, an application for extension shall be made to the issuing authority; extensions are limited to two times, each not exceeding three months. If construction is not commenced and no application for extension is made, or if the extension period is exceeded, the construction permit shall automatically become invalid.

According to the Urban Real Estate Administration Law of the People's Republic of China, which was promulgated by the SCNPC on July 5, 1994, amended on August 26, 2019, and came into effect on January 1, 2020, when leasing a house, the lessor and lessee shall sign a written lease contract, stipulating terms such as the lease term, lease purpose, lease price, repair responsibilities, as well as other rights and obligations of both parties, and register for the record with the real estate management department.

According to the Administrative Measures for the Lease of Commercial Housing, which were promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of a house lease contract, the parties to the lease shall register the lease for the record with the competent construction (real estate) administrative department of the municipality directly under the central government, city, or county where the leased house is located. In case of violation, the competent construction (real estate) administrative department of the municipality directly under the central government, city, or county shall order rectification within a prescribed time limit; if an individual fails to rectify within the time limit, a fine of not more than RMB1,000 shall be imposed; if a unit fails to rectify within the time limit, a fine of not less than RMB1,000 but not more than RMB10,000 shall be imposed.

Laws and Regulations Relating to Intellectual Property

Patents

According to the Patent Law of the People's Republic of China, which was promulgated by the SCNPC on March 12, 1984, implemented since April 1, 1985, last amended on October 17, 2020 and came into effect on June 1, 2021; and the Implementing Rules of the Patent Law of the People's Republic of China, which were promulgated by the State Council on June 15, 2001, implemented since July 1, 2001, last amended on December 11, 2023 and came into effect on January 20, 2024, patents in the PRC are divided into invention patents, utility model patents, and design patents. Calculated from the date of application, the terms of invention patents, utility model patents, and design patents are twenty years, ten years, and fifteen years, respectively. The patent rights enjoyed by a patentee shall be protected by law. No person may use a patent without the permission or authorization of the patentee; otherwise, such use of the patent constitutes infringement of the patent right.

Trademarks

According to the Trademark Law of the People's Republic of China, which was promulgated by the SCNPC on August 23, 1982, implemented since March 1, 1983, last amended on April 23, 2019 and came into effect on November 1, 2019, the validity period of a registered trademark is ten years, calculated from the date of approval of registration. If the trademark registrant needs to continue using the trademark upon expiry of the validity period, it shall go through renewal procedures within twelve months before the expiry date. If it fails to do so within that period, a grace period of six months may be granted. The validity period of each renewal of registration is ten years, calculated from the day following the expiry of the previous validity period of the trademark. If no renewal procedures are completed upon expiry, the registered trademark shall be canceled. For acts infringing upon the exclusive right to use a registered trademark, the administrative department for industry and commerce has the power to investigate and deal with them in accordance with the law; if a crime is suspected, the case shall be promptly transferred to the judicial authority for handling in accordance with the law.

Copyright

According to the Copyright Law of the People's Republic of China, which was promulgated by the SCNPC on September 7, 1990, implemented since June 1, 1991, last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementing Regulations of the Copyright Law of the People's Republic of China, which were promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, copyright owners enjoy various moral rights and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of information network dissemination. For works of a legal person or unincorporated organization, and for works made for hire where the copyright (excluding the right of authorship) is enjoyed by the legal person or unincorporated organization, the term of protection for the right of publication is fifty years, expiring on December 31 of the fiftieth year after the completion of the creation of the work. The term of protection for the rights of reproduction, distribution, rental, exhibition, performance, projection, broadcasting, information network dissemination, cinematography, adaptation, translation, compilation, and other rights that should be enjoyed by the copyright owner is fifty years, expiring on December 31 of the fiftieth year after the first publication of the work. However, if the work has not been published within fifty years after its creation, it shall no longer be protected.

According to the Regulations on the Protection of Computer Software, which were promulgated by the State Council on June 4, 1991, implemented since October 1, 1991, last amended on January 30, 2013 and came into effect on March 1, 2013; and the Measures for the Registration of Computer Software Copyright, which were promulgated by the National Copyright Administration on April 6, 1992 and came into effect on the same date, last amended on June 18, 2004 and came into effect on July 1, 2004, Chinese citizens, legal persons, or other organizations shall enjoy copyright in the software they have developed, whether published or not. A software copyright owner may apply for registration with a software registration institution recognized by the copyright administrative department of the State Council. The registration certificate issued by the software registration institution is a preliminary proof of the registered matters. The National Copyright Administration is in charge of the administration of software copyright registration nationwide and has designated the Copyright Protection Center of China as the software registration institution.

Domain Names

According to the Administrative Measures for Internet Domain Names, which were promulgated by the Ministry of Industry and Information Technology of the People's Republic of China (the "MIIT") on August 24, 2017 and came into effect on November 1, 2017, entities that establish domain name root servers and domain name root server operating institutions, domain name registration management institutions, and domain name registration service institutions within the territory of China shall obtain permission from the MIIT or the communications administration department of the relevant province, autonomous region, or municipality directly under the central government in accordance with these Measures. The principle of "first come, first served" is implemented for domain name registration services.

Laws and Regulations Relating to Taxation

Enterprise Income Tax

According to the EIT Law, which was promulgated by the SCNPC on March 16, 2007, implemented since January 1, 2008, last amended on December 29, 2018 and came into effect on the same date; and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, which were promulgated by the State Council on December 6, 2007, implemented since January 1, 2008, last amended on December 6, 2024 and came into effect on January 20, 2025, a resident enterprise refers to an enterprise established within the territory of China in accordance with the law, or an enterprise established in accordance with the laws of a foreign country (region) but with its place of effective management within the territory of China. A resident enterprise shall pay enterprise income tax at the rate of 25% on its income derived from sources within and outside the territory of China. Preferential enterprise income tax is granted to industries and projects that are key supported and encouraged by the State. High-tech enterprises that are key supported by the State are subject to enterprise income tax at a reduced rate of 15%.

Value-Added Tax

According to the Value-Added Tax Law of the People's Republic of China, which was promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, entities and individuals that sell goods, services, intangible assets, or real property, or import goods within the territory of China are taxpayers of value-added tax (VAT) and shall pay VAT in accordance with the law. Prior to the effectiveness of the Value-Added Tax Law of the People's Republic of China, relevant tax matters are governed by the Interim Regulations of the People's Republic of China on Value-Added Tax and its implementing rules. According to the Interim Regulations of the People's Republic of China on Value-Added Tax and its implementing rules, as well as the Notice on Adjusting the Value-Added Tax Rate (《關於調整增值稅稅率的通知》) jointly issued by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 and effective from May 1, 2018, and the Announcement on Policies Concerning the Deepening of Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) jointly issued by the Ministry of Finance, the State Administration of Taxation and the GAC on March 20, 2019, implemented from April 1, 2019, and last amended on August 22, 2025 and effective from September 1, 2025, the VAT rates are set at three tiers: 6%, 9% or 13%.

Dividend Withholding Tax

According to the Individual Income Tax Law of the People's Republic of China, which was promulgated by the SCNPC on September 10, 1980 and came into effect on the same date, last amended on August 31, 2018 and came into effect on January 1, 2019; and the Regulations on the Implementation of the Individual Income Tax Law of the People's Republic of China, which were promulgated by the State Council on January 28, 1994 and came into effect on the same date, last amended on December 18, 2018 and came into effect on January 1, 2019, dividends distributed by Chinese enterprises are subject to individual income tax at a flat rate of 20%. For foreign individuals who are non-China residents, dividends received from Chinese enterprises are generally subject to individual income tax at 20%, unless otherwise exempted by the finance and taxation authorities of the State Council or reduced under relevant tax treaties. According to the EIT Law and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, the enterprise income tax rate is 25%. Non-resident enterprises that have no establishment or place of business in China, or that have an establishment or place of business but the income derived has no actual connection with such establishment or place, shall pay enterprise income tax on their income derived from sources within China at the rate of 10%. For the aforementioned income tax payable by non-resident enterprises, withholding at source is implemented, with the payer acting as the withholding agent. The tax shall be withheld by the withholding agent from the amount of each payment or the amount payable when due.

The Notice of the State Administration of Taxation on Issues Concerning Withholding of Enterprise Income Tax by Chinese Resident Enterprises on Dividends Paid to Overseas Non-Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), promulgated by the State Administration of Taxation on November 6, 2008 and effective from the same date, further clarifies that when a Chinese resident enterprise distributes dividends for the years 2008 and thereafter to non-resident enterprise shareholders holding H shares outside China, it shall uniformly withhold and pay enterprise income tax at the rate of 10%; non-resident enterprise shareholders eligible for treaty benefits may apply to the competent tax authority for a refund of the excess tax withheld.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed by the State Administration of Taxation and the Government of the Hong Kong Special Administrative Region on August 21, 2006 and effective from the same date, the mainland government may impose tax on dividends paid by a Chinese resident enterprise to a Hong Kong resident (including natural persons and legal entities), but the tax so charged shall not exceed 10% of the gross amount of the dividends payable by the Chinese resident enterprise, unless the Hong Kong resident is a company that holds directly at least 25% of the capital of the Chinese resident enterprise paying the dividends, in which case the tax shall not exceed 5% of the gross amount of the dividends.

Laws and Regulations Relating to Foreign Exchange

According to the Regulations of the People's Republic of China on Foreign Exchange Administration, which were promulgated by the State Council on January 29, 1996, implemented since April 1, 1996, last amended on August 5, 2008 and came into effect on the same date, foreign exchange payments under the current account shall be made with self-owned foreign exchange or by purchasing foreign exchange from financial institutions engaged in exchange settlement and sales, against valid documents, in accordance with the provisions on the administration of foreign exchange payment and purchase by the foreign exchange administration department of the State Council. Domestic institutions and individuals making outward direct investments or engaging in the issuance or trading of overseas securities and derivatives shall go through registration procedures in accordance with the provisions of the foreign exchange administration department of the State Council. Where prior approval or filing is required by the State from relevant competent authorities, such approval or filing shall be obtained before foreign exchange registration.

According to the Provisions on Foreign Exchange Administration of Direct Investment in China by Foreign Investors, which were promulgated by the SAFE on May 10, 2013, last amended on December 30, 2019, and effective from December 30, 2019, the administration of direct investment in China by foreign investors by the SAFE or its local branches must be carried out through registration, and banks must handle foreign exchange businesses related to direct investment in China based on the registration data provided by the SAFE and its branches.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote the Facilitation of 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 by the SAFE on December 4, 2023 and effective from the same date, foreign exchange funds raised by domestic enterprises from overseas listings may be directly remitted into a capital account settlement account, and funds in the capital account settlement account may be freely settled and used.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), which was promulgated by the SAFE on December 26, 2014 and effective from the same date, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the SAFE at its place of incorporation. The funds raised by a domestic company from its overseas listing may be repatriated to a corresponding domestic special account or deposited in an overseas special account, and the use of such funds shall be consistent with the relevant content set out in the document or other publicly disclosed documents. Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises from Overseas Listings, issued by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025, and will effective as of April 1, 2026, funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. Where such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending, and other businesses, the domestic enterprise shall obtain approval or filing documents from the competent regulatory authorities before the date of completion of the overseas issuance or the over-allotment option and shall comply with relevant cross-border fund administration provisions. Upon the effectiveness of this Notice, the Notice of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange for Overseas Listings shall be repealed concurrently.

Laws and Regulations Relating to Securities and Overseas Listing

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (the "Securities Law"), which was promulgated by the SCNPC on December 29, 1998 and became effective on July 1, 1999, last amended on December 28, 2019 and came into effect on March 1, 2020, it comprehensively regulates activities in the securities market within China, including the issuance and trading of securities, acquisitions of listed companies, securities exchanges, securities companies, and the duties and responsibilities of securities regulatory authorities. The Securities Law further stipulates that domestic enterprises directly or indirectly issuing securities overseas or listing their securities overseas shall comply with the relevant provisions of the State Council. The CSRC is the securities regulatory body established by the State Council, responsible for supervising and administering the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market. Currently, the issuance and trading of H shares are primarily governed by laws and regulations promulgated by the State Council and the CSRC.

Overseas Listing

The CSRC has issued several regulations concerning the administration of filings for overseas offering and listing by domestic companies, which were promulgated on February 17, 2023 and became effective on March 31, 2023, including the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Enterprises (the "Overseas Listing Measures") and several supporting guidelines. According to the Overseas Listing Measures, a domestic enterprise in China seeking to offer and list securities overseas, whether directly or indirectly, shall submit the required documents to the CSRC within three working days after submitting its overseas listing application.

The Overseas Listing Measures stipulate that overseas offering and listing shall not be permitted under any of the following circumstances: (i) listing for financing is explicitly prohibited by laws, administrative regulations, or relevant state provisions; (ii) upon review and determination by the relevant competent department of the State Council in accordance with the law, the overseas offering and listing may endanger national security; (iii) the domestic enterprise, its controlling shareholders, or its actual controllers have committed crimes of corruption, bribery, embezzlement of property, misappropriation of property, or undermining the socialist market economic order within the last three years; (iv) the domestic enterprise is under investigation by law for suspected crimes or material violations of laws or regulations, and no clear conclusion has been reached yet; or (v) there is a material ownership dispute over the equity held by the controlling shareholders of the domestic enterprise or by shareholders controlled by the controlling shareholders or actual controllers. Furthermore, the Overseas Listing Measures provide that after the issuer's overseas offering and listing, it shall report specific circumstances to the CSRC within three working days after the occurrence and announcement of any of the following material events: (i) change of control; (ii) being subject to investigation or sanctions by overseas securities regulatory authorities or relevant competent authorities; (iii) change of listing status or transfer of listing board; (iv) voluntary delisting or compulsory delisting. At the same time, domestic enterprises conducting overseas offering and listing activities shall strictly comply with national security laws, administrative regulations, and relevant provisions concerning foreign investment, cybersecurity, data security, etc., and earnestly fulfill their obligations to safeguard national security.

According to the Provisions on Strengthening Confidentiality and Archives Administration Related to Overseas Securities Offering and Listing by Domestic Enterprises, jointly issued by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration on February 24, 2023 and effective from March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material involving state secrets or working secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals, or through its overseas listing entity, it shall report to the competent department with examination and approval authority for approval in accordance with the law, and file with the secrecy administration department at the same level. The working papers formed within China by securities companies and securities service institutions providing corresponding services for the overseas offering and listing of domestic enterprises shall be kept within China. If they need to be taken out of China, the examination and approval formalities shall be handled in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS IN THE U.S.

Businesses operating in the United States are subject to a range of federal, state and local laws and regulations. Regulations that may be material to our operations include those relating to consumer product safety and recalls, product liability, data privacy and security, customs compliance (including tariffs and other trade measures), and U.S. taxation.

National Traffic and Motor Vehicle Safety Act

The National Traffic and Motor Vehicle Safety Act of 1966, as amended ("NTMVSA"), is a U.S. federal law authorizing the government to establish and enforce motor vehicle safety standards to reduce traffic accidents, injuries, and fatalities. It created the National Highway Traffic Safety Administration ("NHTSA"), requires manufacturers to comply with applicable federal safety standards, and authorizes recalls for safety-related defects or noncompliance. The NTMVSA also provides the statutory basis for the Federal Motor Vehicle Safety Standards.

Federal Motor Vehicle Safety Standard

NHTSA administers motor vehicle safety laws under Title 49 of the United States Code and issues regulations and guidance to implement them. It promulgates and enforces the Federal Motor Vehicle Safety Standards ("FMVSS"), which set minimum safety performance requirements for motor vehicles and motor vehicle equipment. The FMVSS are codified at 49 C.F.R. Part 571 and currently include more than 70 standards covering a broad range of vehicle safety requirements. These standards are generally grouped into three categories: crash avoidance (100-series), which addresses accident prevention features; crashworthiness (200-series), which concerns vehicle performance and occupant protection in a crash; and post-crash survivability (300-series), which focuses on safety after a collision, including fuel system integrity and electric shock protection. Subject to limited exceptions, the FMVSS apply to motor vehicles and regulated equipment manufactured for sale in the United States.

Product Safety and Recalls

Consumer product safety in the United States is overseen primarily by the U.S. Consumer Product Safety Commission ("CPSC"), which was created by Congress in 1972 under the Consumer Product Safety Act ("CPSA").

The Consumer Product Safety Improvement Act of 2008 ("CPSIA") amended the CPSA and, among other requirements, provides for certification obligations (including a General Certificate of Conformity) for products subject to CPSC rules, bans, standards or regulations.

Manufacturers, importers, distributors and retailers may have reporting obligations to the CPSC under CPSA Section 15(b), including reporting failures to comply with consumer product safety rules, product defects that could create a substantial product hazard, and products creating an unreasonable risk of serious injury or death.

Product Liability

There is no single federal product liability law; product liability claims in the United States generally arise under state law and may be based on negligence, strict liability or breach of warranty, depending on the jurisdiction.

Data Privacy and Security

The United States does not have a single comprehensive federal privacy or data security statute; privacy and security regulation is instead addressed through a combination of federal sector-specific laws and enforcement (including FTC enforcement under Section 5 of the FTC Act) and state laws.

California's Consumer Privacy Act ("CCPA"), as amended by the California Privacy Rights Act, provides California residents with certain privacy rights and is enforced by the California Attorney General and the California Privacy Protection Agency ("CPPA"). The CCPA also includes a private right of action in limited circumstances involving certain data breaches (Cal. Civ. Code §1798.150).

International Trade and Customs (Imports)

Importation of goods into the United States is administered by U.S. Customs and Border Protection ("CBP"). CBP guidance states that "reasonable care" is an explicit responsibility of the importer, and import compliance failures may lead to enforcement actions.

In addition, U.S. law prohibits entering or introducing merchandise into U.S. commerce by means of material false statements or omissions, and provides for civil penalties based on levels of culpability (fraud, gross negligence or negligence) under 19 U.S.C. §1592.

U.S. tariffs and other trade measures may apply to certain imported goods and can change from time to time based on U.S. trade policy developments.

U.S. Corporate Income Tax and Transfer Pricing

U.S. federal corporate income tax is imposed on corporations at a rate of 21% under 26 U.S.C. §11 (subject to applicable state and local taxes, where relevant).

U.S. transfer pricing rules require that controlled transactions satisfy an arm's length standard, and Treasury regulations state the purpose of Section 482 is to place controlled taxpayers on parity with uncontrolled taxpayers by determining true taxable income under an uncontrolled taxpayer standard.

TARIFFS AND CUSTOMS REGULATIONS

United States

U.S. customs regulations, administered by U.S. Customs and Border Protection, govern the importation of goods into the U.S., including valuation, classification, recordkeeping, entry formalities, and duties. Tariff rates are generally set forth in the Harmonized Tariff Schedule of the United States (the "HTSUS"). Embargoes, antidumping duties, countervailing duties, and other measures administered by the U.S. executive branch are not contained in the HTSUS, and various regulations or administrative actions could result in modification of applicable duties.

As of the Latest Practicable Date, the U.S. has imposed tariffs on imports from China under the following principal statutory authorities:

- Section 301 of the Trade Act of 1974 (19 U.S.C. §2411) ("Trade Act") authorizes the United States Trade Representative to investigate and respond to foreign trade practices that deny the U.S. its rights under trade agreements, violate such agreements, or otherwise unjustifiably burden or restrict U.S. commerce.
- Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862, as amended) authorizes the U.S. Secretary of Commerce to investigate the effects of imports on U.S. national security, which is defined to include economic security and may therefore be used to protect industries not directly related to national defense.
- Section 122 of the Trade Act empowers the U.S. President to impose tariffs to address large and serious trade deficits for up to 150 days. In February 2026, the U.S. President imposed 10% tariffs under this authority on all imports, following the U.S. Supreme Court's ruling regarding the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.).

Section 122 tariffs are applied cumulatively with any applicable Section 301 tariffs. However, Section 122 tariffs and Section 232 tariffs are not applied cumulatively; where both would otherwise apply, only one rate is assessed.

European Union

EU tariffs generally apply to products imported into the EU, though tariffs on exports exist in limited cases. Tariffs are determined by customs classification, country of origin, and customs value, and are usually expressed in ad valorem terms. As a customs union, all EU Member States apply the same tariffs to goods imported from outside the EU.

As a member of the World Trade Organization ("WTO"), the EU applies WTO rules and principles. For WTO members, tariffs are generally applied at most favored nation ("MFN") rates, which are the standard rates applied to imports from all other WTO members absent a preferential trade agreement. The MFN principle requires that any lower tariff granted to one WTO member be extended to all others, making MFN rates in practice the highest rates WTO members charge one another. In addition, bound tariffs represent the maximum MFN tariff level for a given commodity line, as committed through negotiations under the General Agreement on Tariffs and Trade. WTO members may not exceed their bound rates but retain flexibility to adjust applied rates up to that ceiling, provided they respect the MFN principle.

WTO members may also enter into free trade agreements providing for tariff reductions or broader commitments. The EU has not concluded a free trade agreement with the PRC, meaning the Group's products do not benefit from such reductions. Since 2015, the PRC no longer benefits from reduced tariffs under the Generalized System of Preferences, following its reclassification as an "upper-middle income" country. Conversely, unfair trade practices may lead WTO members to levy additional duties, including trade defense instruments such as anti-dumping duties.

EU tariffs are therefore generally based on the following:

(a) Third country duty — a customs duty applicable to all imports originating in a non-EU country or territory;

(b) Other tariff-related measures, such as tariff preferences, autonomous tariff suspensions, and tariff quotas; and

(c) Additional trade defense duties.

See "Risk Factors — Risks Relating To The Jurisdictions We Operate — We may be subject to the risks associated with geopolitics and international trade tensions, such as tariffs, export controls, economic sanctions and investment restrictions, and our business, financial condition and results of operations may be materially and adversely affected."