REGULATORY OVERVIEW

The major PRC laws, regulations, normative documents and regulatory policies which have impact on our business operations are set out below:

INDUSTRIAL POLICIES AND REGULATORY PROVISIONS

According to the Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》), promulgated by the NPC on March 13, 2026 and effective on the same day, China shall accelerate the development of strategic emerging industries including next-generation information technology, new energy, new materials, intelligent connected new energy vehicles, robots, biomedicine, high-end equipment, aerospace and other such industries. China shall develop distinctive and complementary industrial clusters of strategic emerging industries in light of local conditions, and strive to foster a number of emerging pillar industries with strong growth potential, high technological content and extensive penetration across sectors.

According to the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》) promulgated by the State Council on October 24, 2021 and came into effect on the same day, it is proposed to actively develop the "new energy + energy storage" model, promote coordination of power source-grid-load-storage, use multiple energy sources to supplement each other, and support the deployment of appropriate ESS for distributed new energy sources. It also proposed to speed up the demonstration and application of new types of energy storage.

According to the 14th Five-Year Plan for Modern Energy System (《「十四五」現代能源體系規劃》) jointly promulgated by the NDRC and the National Energy Administration (the "**NEA**") on January 29, 2022 and came into effect on the same day, China will establish and improve the construction standards for electrochemical energy storage and hydrogen energy and accelerate the large-scale application of new energy storage technologies. It will vigorously promote the development of energy storage on the power supply side, ensure reasonable configuration of storage capacity, improve the output characteristics of new energy stations, support the distributed ESS for rational allocation of new energy sources, and optimize the layout of grid-side energy storage, in an effort to leverage its multiple roles in integrating new energy, peak shaving and valley filling, enhancing grid stability and emergency power supply. It will also support the diversified development of user side energy storage, improve power supply reliability for users and encourage the participation of user side energy storage such as electric vehicles and uninterruptible power supplies in peak shaving and frequency regulation. It will conduct focused research and development on key technologies for new energy storage to accelerate the core technology autonomy and promote continuous cost reductions and large-scale applications of energy storage technologies, thereby perfecting technical standards and management systems for energy storage and enhancing the level of safe operation.

According to the 14th Five-Year Renewable Energy Development Plan (《「十四五」可再生能源發展規劃》) jointly promulgated by nine departments including the NDRC, the NEA on October 21, 2021 and became effective on the same day, China will redouble efforts to make breakthroughs in frontier and core technologies for renewable energy and equipment, develop high-energy-density energy storage technologies such as sodium-ion batteries, liquid metal batteries, solid Lithium-Ion batteries, metal-air batteries and lithium-sulfur batteries, establish the independent market status of new energy storage and improve the trading mechanisms and technical standards for energy storage to participate in various power markets, thereby leveraging the multiple functions of energy storage in peak shaving and frequency regulation, emergency backup and capacity support, among others, as well as promoting the multi-scene application of energy storage on the power supply side, power grid side and user side.

According to the Guiding Catalog for Industrial Restructuring (2024 Edition) (《產業結構調整指導目錄(2024年本)》), which was last amended by the NDRC on December 27, 2023 and came into effect on February 1, 2024, new lithium primary batteries (lithium iron disulfide and lithium thionyl chloride, among others); Lithium-Ion batteries, semi and solid-state lithium-ion batteries, fuel cells, sodium-ion batteries, flow batteries, new-structure (bipolar, lead mesh horizontal, coiled, tubular, and other) sealed lead-acid batteries, lead-carbon batteries, next-generation hydrogen fuel cells, electrochemical energy storage and other new batteries and new-type power system technologies fall into the state-encouraged industries. Exploration, development and comprehensive utilization of scarce chemical mineral resources such as sulfur, potassium, boron, lithium and bromine also fall within the scope of industries encouraged by the state.

LAWS AND REGULATIONS ON PRODUCTION SAFETY, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION REVIEW

Production Safety

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) or the Production Safety Law, which was last amended by the Standing Committee of the National People's Congress ("**SCNPC**") on June 10, 2021 and came into effect on September 1, 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety, strengthen production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, improve production safety conditions, and strengthen the standardization of production safety, raise production safety levels, and ensure production safety. The person in charge of a production and operation entity shall be fully responsible for the production safety of the entity. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, depending on the circumstances of the violation, and criminal liability will be pursued if the violation constitutes a crime.

According to the provisions of the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) promulgated on January 26, 2002 and amended on March 2, 2011 and December 7, 2013, no entity or individual may engage in the production, storage, use, operation, transportation and other business activities of hazardous chemicals without approval. An enterprise that stores hazardous chemicals shall set up prominent signs on its hazardous chemical transportation pipeline, conduct regular inspections and tests on the pipeline, and set up prominent safety warning signs on its workplaces, safety facilities and equipment. In addition, the enterprise shall also establish and regularly repair and maintain its safety facilities and equipment based on the types and hazard characteristics of hazardous chemicals and in accordance with relevant national and industry standards. An entity that stores highly toxic chemicals or hazardous chemicals constituting a serious hazard source in quantity shall report the storage quantity, location and management personnel to the work safety supervision and administration department and the public security agency of the county-level local people's government. Meantime, any enterprise that engages in the production of hazardous chemical falling into the catalog of Hazardous Chemicals (《危險化學品目錄》) shall obtain a work safety permit for hazardous chemicals in accordance with the Regulation on Work Safety Permits (《安全生產許可證條例》) before starting production.

According to the Measures for the Administration of Registration of Hazardous Chemicals (《危險化學品登記管理辦法》) promulgated by the Former SAWS on July 1, 2012 and became effective on August 1,2012, enterprises engaged in the production and import of any chemicals listed in the catalog of Hazardous Chemicals must register with the competent work safety supervision department prior to the inspection and acceptance of completed projects or the first importation activity. The hazardous chemicals registration certificate shall be valid for three years and the enterprise may file a certificate renewal application three months before the expiry of the validity term of the registration certificate.

Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) or the Environmental Protection Law, which was last amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection competent administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance inspection shall not be put into production or use.

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was last amended on April 29, 2020 by the SCNPC and came into effect on September 1, 2020, the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which was last amended on June 27, 2017 by the SCNPC and came into effect on January 1, 2018, and the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), which was last amended by the SCNPC on October 26, 2018 and took effect on the same day, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Enterprises and institutions that emit industrial waste gas or toxic and hazardous air pollutants listed in the catalog published according to Article 78 of the Law of the PRC on the Prevention and Control of Atmospheric Pollution, as well as other units that implement administration of pollution discharge permits in accordance with the law, shall obtain a pollutant discharging permit.

According to the provisions of the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated on January 24, 2021, and the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated on April 1 2024, the State implements the classified pollutant discharge permit management (i.e., key management and simplified management) on pollutant discharges of enterprises based on factors such as the volume of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. Enterprises, institutions and other production and operation units that are included in the Classification Administration List of Pollutant Discharge Permits for Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit within the prescribed time limit, and shall not discharge pollutants without a pollutant discharge permit.

Fire Safety

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was last amended by the SCNPC on April 29, 2021 and took effect on the same day, the emergency management department under the State Council and the emergency management department under the local people's governments at or above the county level shall supervise and manage fire protection work. Fire prevention design and construction must comply with national technical standards for fire protection in construction projects.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) which was last amended by the Ministry of Housing and Urban-Rural Development of PRC on August 21, 2023 and officially came into effect on October 30, 2023, fire prevention design review and acceptance should be carried out for special construction projects. With respect to the construction projects other than special construction projects, the fire protection acceptance of construction projects shall be filed with the competent authorities.

Energy Conservation Review

According to the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), which was last amended by the SCNPC on October 26, 2018 and came into effect on the same day, the State shall implement an energy conservation assessment and audit system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the developer shall not commence construction; where the construction is completed, the project shall not be put into production or use. For government investment projects which do not meet the compulsory energy conservation standards, the agency in charge of examination and approval pursuant to the law shall not grant approval for construction. Detailed measures shall be formulated by the department regulating energy conservation under the State Council jointly with other relevant State Council departments.

According to the Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects (《固定資產投資項目節能審查和碳排放評價辦法》), issued by the NDRC on July 17, 2025 and came into effect on September 1, 2025, the energy conservation review opinion of fixed asset investment projects shall serve as an important basis for project commencement, completion acceptance, and operation management. For government investment projects, the construction entity shall obtain the energy conservation review opinion issued by the energy conservation review authority before submitting the project feasibility study report. For enterprise investment projects, the construction entity shall obtain the energy conservation review opinion issued by the energy conservation review authority before project commencement. Projects that have not undergone energy conservation review in accordance with these Measures, or have failed to pass the energy conservation review, shall not be allowed to commence construction, and those already completed shall not be put into production or use.

LAWS AND REGULATIONS RELATING TO MINERAL RESOURCES

According to the PRC Mineral Resources Law (《中華人民共和國礦產資源法》), which was promulgated by the SCNPC on March 19, 1986, became effective on October 1, 1986, and was amended on August 29, 1996, August 27, 2009 and November 8, 2024 respectively, all mineral resources of the PRC are owned by the State. The geology and mineral resources department of the State Council, which is now the MNR, is responsible for the supervision and administration of the exploration and mining of mineral resources nationwide. The natural resources departments of the local governments above the county level, in conjunction with relevant departments, are responsible for the supervision and administration of the exploration and mining of mineral resources within their own jurisdictions.

Where a mining right is established, an application for registration of the mining right shall be made to the mining right transferring department. If the conditions for registration are met, the mining right transferring department shall record the relevant matters in the mining right register, and issue the mining right certificate to the mining right owner. After acquiring the mining right, the owner of the mining right shall, before carrying out the exploration and mining operations of the mineral resources, prepare an exploration and mining plan, submit it to the department that granted the original mining right for approval, and obtain the exploration permits, mining permits; No exploration or mining operation shall be carried out without obtaining a permit.

According to the Mine Safety Law of the PRC(《中華人民共和國礦山安全法》), which was amended by the SCNPC on August 27, 2009 and came into effect on the same day, mining enterprises must have facilities to ensure production safety, establish and improve safety management systems, and take effective measures to improve working conditions of employees, strengthen mine safety management, and ensure safe production. Among them, the safety facilities of mine construction projects must be designed, constructed, put into production and use simultaneously with the main project; the conditions for safe production must be met in mining operations, and mine safety regulations and industry specifications for mining different types of minerals must be in place; mining enterprises must establish and improve the responsibility system for safety production.

LAWS AND REGULATIONS RELATING TO MEDICAL DEVICES

Registration of Medical Devices

According to the Measures for the Administration of Registration and Record Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) promulgated by the State Administration for Market Regulation on August 26, 2021 and implemented on October 1, 2021, Class I medical devices are subject to record filing, while Class II and Class III medical devices are subject to registration. Registration and record filing of medical devices shall comply with relevant laws, regulations, rules and mandatory standards, adhere to the basic principles of safety and performance of medical devices, follow relevant technical guidelines, and demonstrate that the registered or filed medical devices are safe, effective and of controllable quality, with the entire process information being true, accurate, complete and traceable.

Production of Medical Devices

According to the Measures for the Supervision and Administration of Medical Device Production (《醫療器械生產監督管理辦法》) promulgated by the former CFDA on July 20, 2004 and implemented on the same date, and most recently amended by the State Administration for Market Regulation on March 10, 2022 and implemented on May 1, 2022, medical device production is subject to classified administration based on the risk level of medical devices. Enterprises engaged in the production of Class II and Class III medical devices shall obtain a medical device production licence upon approval by the drug regulatory authority of the province, autonomous region or municipality where they are located. Enterprises engaged in the production of Class I medical devices shall complete record filing with the drug regulatory authority at the municipal level with districts.

According to the Measures for the Supervision and Administration of Medical Device Production, medical device registrants, filers and entrusted production enterprises shall establish and effectively maintain a sound quality management system that is suitable for such medical devices produced in accordance to the requirements of the Good Manufacturing Practice of Medical Devices, and organise production in strict accordance with the registered or filed technical requirements of the product to ensure that the produced medical devices meet the mandatory standards and the registered or filed technical requirements of the product.

Operation of Medical Devices

According to the Measures for the Supervision and Administration of Medical Device Operation (《醫療器械經營監督管理辦法》) promulgated by the former CFDA on July 30, 2014 and implemented on October 1, 2014, and most recently amended by the State Administration for Market Regulation on March 10, 2022 and implemented on May 1, 2022, medical device operation is subject to classified administration based on the risk level of medical devices. The operation of Class III medical devices is subject to licensing administration, the operation of Class II medical devices is subject to record filing administration, and the operation of Class I medical devices requires neither licensing nor record filing. The medical device operation licence shall be valid for five years, and the licence holder shall apply for renewal within 30 to 90 working days prior to expiry. Registrants, record filers or manufacturers of medical devices selling medical devices at their domicile or production premises are exempted from obtaining a medical device operation licence or record filing, but must comply with the prescribed operating conditions.

According to Good Supply Practice for Medical Devices (《醫療器械經營質量管理規範》) issued by the the NMPA on December 4, 2023, which came into effect on July 1, 2024., enterprises engaged in the medical device business shall conduct risk management in accordance with the risk categories of the medical devices they operate, adopt corresponding quality management measures, and keep relevant records or archives. Unless otherwise stipulated, medical device business enterprises shall also have business premises and warehouses commensurate with their business scope and scale, and the area of the business premises and warehouses shall meet the business requirements. The storage operation area and auxiliary operation area for medical devices should be separated from the office area and living area, or isolation measures should be taken for the storage operation area and auxiliary operation area. In addition, medical device trading enterprises should strengthen the management of returns, ensure the quality and safety of medical devices during the return stage, and prevent medical devices that do not meet legal requirements from being mixed in.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines; earnings from sales in contravention of such standards or requirements, if any, may also be confiscated, and in severe cases, an offender's business license may be revoked.

LAWS AND REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》) last amended by the SCNPC on April 29, 2021 and came into effect on the same day, the Customs is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory, who is authorized to supervise the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and combats smuggling, compiles customs statistics and handles other customs operations. Customs declaration entities refer to the consignees and consignors of imported or exported goods and customs declaration enterprises recorded with the Customs. The consignee or the consignor of imported or exported goods may complete the declaration formalities either by themselves or engaging an agent.

According to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) last amended by the SCNPC on April 29, 2021 and came into effect on May 1, 2022, and the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) last amended by the State Council on March 29, 2022 and came into effect on the same day, the General Administration of Customs of PRC (“**the General Administration of Customs**”) is responsible for inspection of imported and exported commodities nationwide, and its subordinate entry-exit inspection and quarantine authorities shall conduct inspection on the imported and exported commodities listed in the catalogue and other imported and exported commodities that shall be subject to the inspection by the entry-exit inspection and quarantine authorities as prescribed by laws and administrative regulations. For the imported and exported commodities other than those that are subject to inspection as mentioned above, the entry-exit inspection and quarantine authorities may conduct random inspection in accordance with state regulations. No import commodity subject to statutory inspection that has not been inspected could be sold or used. No export commodity subject to statutory inspection that has not been inspected or fails to pass the inspection could be exported. Consignees or consignors of the import and export commodities may complete the inspection procedures themselves, or engage an agent to do this.

According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imports and exports and customs declaration enterprises which have filed record with the Customs pursuant to these Provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification and in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and came into effect on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Law and Labor Contracts Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and came into effect on the same day, labor contracts must be executed in writing if labor relationships are to be established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last amended by the SCNPC and came into effect on December 29, 2018, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) last amended by the State Council and came into effect on March 24, 2019 and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

In addition, any employer that fails to make contributions to above-mentioned social insurance and housing provident fund as required may be ordered to pay the required contributions within a prescribed time limit. If the employer still fails to make the relevant contributions within the prescribed time, a fine may be imposed, and for the overdue contribution, the people's court may enforce collection.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of 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)》), promulgated by the Supreme People's Court on July 31,2025 and became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the people's court shall uphold such claim.

According to the Opinions of the Office of the State Council on Comprehensively Promoting the Implementation of the Merger of Maternity Insurance and the Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) which was promulgated by the State Council with immediate effect on March 6, 2019, the PRC facilitates the incorporation of maternity insurance fund into basic medical insurance fund of employees for unified payment.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) last amended by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended by the State Council on April 29, 2014 and came into effect on May 1, 2014, the trademarks registered with the Trademark Office of China National Intellectual Property Administration are registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. The registration of a trademark shall be valid for ten years from the date of approval. If there is a continued need for the use of the trademark, a renewal shall be made in accordance with requirements within 12 months before the expiry of the trademark registration. Each renewal of registration of a trademark shall be valid for ten years from the date after the expiry of the previous trademark registration.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) last amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, whether published or not, are entitled to copyright in accordance with the law. Copyright includes a series of personal and property rights such as the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work and the right of reproduction.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, amended on June 18, 2004 and came into effect on July 1, 2004, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority which shall grant registration certificates to the computer software copyrights applicants according to the Measures for the Computer Software Copyright Registration and the Regulations on the Computer Software Protection.

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain names registrations are handled through domain name service agencies established according to the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON 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税法》) (the "**EIT Law**") promulgated by the SCNPC on March 16, 2007, came into effect on January 1, 2008 and last amended on December 29, 2018, as well as the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and amended on April 23, 2019 and December 6, 2024, an enterprise, which is established within the territory of PRC according to law or established as per the laws of a foreign country (region) but has an actual management office within the territory of PRC, is a resident enterprise. A resident enterprise shall pay enterprise income tax for the income derived from both inside and outside the PRC at a rate of 25%. An enterprise income tax preference shall be granted to industries and projects strongly supported and encouraged by the state; an enterprise income tax shall be levied on high-tech enterprises at a reduced rate of 15%. Non-resident enterprises that have not set up institutions or establishments in the Chinese Mainland or have set up institutions or establishments but the income obtained by the said enterprises have no actual connection with the set-up institutions or establishments, shall pay enterprise income tax at the rate of 10% in relation to their income sourcing from the Chinese Mainland.

Value-Added Tax

According to Value-added Tax Law of the PRC (《中華人民共和國增值税法》), promulgated on December 25, 2024, and became effective on January 1, 2026, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the importation of goods within the territory of the PRC shall be liable to pay VAT, the VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, the VAT tax rate applicable to the small-scale taxpayers is 3%. Regulations for the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值税法實施條例》), promulgated on December 25, 2025, and became effective on January 1, 2026 has detailed taxpayers and scope of taxation, clarify the applicable tax rates and determine the calculation methods for tax payable in different situations.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT, OVERSEAS INVESTMENT AND FOREIGN EXCHANGE SUPERVISION

Foreign Investment

Investment activities in the PRC by foreign investors are primarily governed by the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) (or the Encouraging Catalogue, which was promulgated by the Ministry of Commerce of the People's Republic of China and the NDRC on December 15, 2025 and became effective on February 1, 2026), the Special Administrative Measures for the Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) (or the Negative List, which was promulgated and is amended by the MOFCOM and the NDRC from time to time) and the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (or the Foreign Investment Law) as well as its implementation rules and supporting regulations.

The Foreign Investment Law was promulgated by the NPC on March 15, 2019 and came into effect on January 1, 2020, which establishes a fundamental framework through legislation for the entry, promotion, protection and management of foreign investment, with emphasis on investment protection and fair competition. In accordance with the Foreign Investment Law, foreign investment shall enjoy pre-entry national treatment, except for foreign-invested companies in industries deemed to be "restricted" or "prohibited" in the Negative List. To ensure the effective implementation of the Foreign Investment Law, on December 26, 2019, the State Council promulgated the Implementation Rules to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資

法實施條例》, which became effective on January 1, 2020, further clarifying that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment and advances a higher-level opening.

On September 6, 2024, the NDRC and the MOFCOM jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》(or the 2024 Negative List), which came into effect on November 1, 2024, to replace the previous Encouraging Catalogue and the Negative List thereunder. According to the Foreign Investment Law, the Implementation Rules to the Foreign Investment Law and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments.

Outbound Investment

According to the Measures for the Administration of Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and came into force on October 6, 2014, the outbound investment activities of companies established in China are subject to the filing and approval management by the MOFCOM and the provincial-level commercial competent authorities. If a PRC enterprise intends to make an outbound investment involving sensitive countries and regions and sensitive sectors, it is subject to approval management requirements. Other outbound investment projects shall be subject to filing management requirements.

In accordance with the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into force on March 1, 2018, if a PRC enterprise (the "**Investor**") intends to make an outbound investment, it is required to complete the approval or filing procedures for outbound investment projects (the "**Projects**"), report relevant information, and cooperate with supervision and inspection. Sensitive Projects carried out by the Investor directly or through overseas enterprises controlled by the Investor shall be subject to approval requirements; non-sensitive Projects directly carried out by the Investor, namely the non-sensitive Projects involving the Investor's direct investment of assets and equities or the provision of financing or guarantees shall be subject to filing requirement. The aforementioned "sensitive projects" refer to projects involving a sensitive country or region or projects involving a sensitive industry. The NDRC shall publish a catalog of sensitive industries. The current catalog of sensitive industries in force is the Catalogue of Sensitive Industries for Outbound Investment (Edition 2018) (境外投資敏感行業目錄(2018年版)), effective on March 1, 2018.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

According to the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control Pertaining to 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》) promulgated by the SAFE and became effective on December 26, 2014, a domestic company shall complete registration formalities for overseas listing with the SAFE's local branch at its place of registration within 15 working days from completion of issuance for its overseas listing. Funds raised from overseas listing of a domestic company may be repatriated to China or deposited overseas, and the usage of funds shall be consistent with the relevant contents set out in the Document document or disclosure documents.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated on February 13, 2015 and implemented since June 1, 2015, and partially repealed on December 30, 2019, the requirements that confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment are canceled, and the bank, instead, shall directly review and handle the foreign exchange registration and approval under domestic and overseas direct investment while the SAFE and its branches indirectly supervise the foreign exchange registration and approval under direct investment through the bank.

On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which stipulated that on the basis that investing foreign-funded enterprises (including foreign-invested investment companies, foreign-invested venture capital enterprises and foreign-invested equity investment enterprises) may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures for the Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

LAWS AND REGULATIONS ON REAL ESTATE

State-Owned Land Use Right

According to the Land Administration Law of the People's Republic of China promulgated by the SCNPC on June 25, 1986 and became effective on January 1, 1987 and last amended on August 26, 2019 with the amendments coming into effect on January 1, 2020, the Rules for Implementation of the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》) last amended by the State Council on July 2, 2021 and implemented since September 1, 2021 and the Provisional Regulations of the People's Republic of China Concerning the Grant and Transfer of the Right to Use State Land in Urban Areas (《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》) issued by the State Council on May 19, 1990 and implemented since the same date, and last amended on November 29, 2020 and implemented since the same date, except for assignment by the state under the law as state-owned land use rights, the state implements a system of compensated use of state-owned land in accordance with the law. The methods of compensated use of state-owned land mainly include transfer of state-owned land use rights, leasing of state-owned land, and using state-owned land use rights as a way of capital contribution or investment in exchange for equity. Grant of land use rights can be conducted by means of agreement, tender and auction. Grant of land use rights requires the signing of a land use right grant contract and payment of land premium.

Real Estate Leasing

According to the Civil Code of the People's Republic of China which became effective on January 1, 2021, owners shall have the rights to possess, use, benefit from and dispose of their real estate or movable properties in accordance with the law. The lessee may sublease the leased premises to a third party with the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development of the People's Republic of China promulgated the Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to these measures, the parties concerned to a housing tenancy shall go through the housing tenancy registration formalities with the competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties where the housing is located within 30 days after the housing tenancy contract is signed. Failure to go through the housing tenancy registration formalities within the specified period will result in an order to rectify within a prescribed time limit. If the parties concerned fail to comply with the rectification order, a fine ranging from RMB1,000 to RMB10,000 per tenancy contract may be imposed.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

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

Overseas Listing

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), or the Overseas Listing Trial Measures, together with several supporting guidelines (collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, domestic companies in Chinese mainland that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities listing and financing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder, actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof; (ii) investigations or penalizations imposed on the issuer by overseas securities regulators or relevant competent authorities; (iii) changes of listing status or transfers of listing segment; and (iv) a voluntary or mandatory delisting.

Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

The CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) on February 24, 2023. Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entity or other means, any document or material involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report it to the competent department with the examination and approval authority for approval in accordance with the law, and submit it to the secrecy administration department of the same level for filing. The working papers formed within Chinese mainland by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within Chinese mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the state.