## REGULATIONS RELATING TO COMPANY

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》) (the "**Company Law**"), which was last amended by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on December 29, 2023 and came into effect on July 1, 2024. Both limited liability companies and companies limited by shares established in the PRC in accordance with the law shall have the status of a legal person. The shareholders of these companies are liable only to the extent of their subscribed capital contributions or shares. The Company Law also applies to foreign-invested companies, unless laws on foreign investment have other stipulations.

## REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign investment activities within the territory of the PRC are principally governed by the following regulations: (1) the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which was adopted by the National People's Congress (the "**NPC**") on March 15, 2019 and came into effect on January 1, 2020, together with its corresponding implementing rules and ancillary regulations; (2) the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) ("**Negative List**"), jointly issued by the Ministry of Commerce of the PRC ("**MOFCOM**") and the National Development and Reform Commission ("**NDRC**"); (3) the Catalogue of Encouraged Industries for Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) jointly issued by the MOFCOM and the NDRC; (4) the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the SAMR on December 30, 2019 and came into effect on January 1, 2020.

In accordance with the aforementioned regulations, foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List. For foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

According to the Measures for Reporting of Foreign Investment Information, the establishment of foreign-invested enterprises by foreign investors, as well as the establishment of foreign-invested enterprises through purchasing the equities of non-foreign-invested enterprises and their subsequent changes, are required to submit an establishment or change report through the Enterprise Registration System.

## REGULATIONS RELATING TO OUTBOUND INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The List of Sensitive Sectors for Overseas Investment (2018 Version) (《境外投資敏感行業目錄(2018年版)》), which was promulgated by the NDRC on January 31, 2018 and came into effect on March 1, 2018, listed the sensitive sectors for overseas investment, including development, manufacturing and maintenance of arms, cross-border water resources development and utilisation, news and media, among others.

## REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS AND TECHNOLOGY

Pursuant to the Notice on Matters Concerning the Filing of Consignees and Consignors of Import and Export Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the PRC (the "**GAC**") on January 3, 2023, consignees and consignors of import and export goods applying for filing shall have obtained market entity qualification and are exempt from the requirement for foreign trade operator filing. For technologies that are free for import and export, the relevant contracts must be registered with the foreign trade department of the State Council or its authorised agency.

Pursuant to the Regulations of Customs on Administration of Recordation of Declaration Entities of the RRC (《中華人民共和國海關報關單位備案管理規定》), promulgated by the GAC on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities are defined as consignees and consignors of import and export goods, as well as customs declaration enterprises registered with customs. Consignees and consignors of import and export goods, or customs declaration enterprises, applying for such filing shall have obtained market entity qualification.

## POLICIES AND REGULATIONS RELATING TO THE PHOTOVOLTAIC INDUSTRY

The Opinions on Fully, Accurately and Comprehensively Implementing the New Development Philosophy and Effectively Advancing Work on Carbon Peaking and Carbon Neutrality (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), issued by the Central Committee of the Communist Party of China and the State Council, and the Action Plan for Carbon Peaking Before 2030 (《2030年前碳達峰行動方案》), issued by the State Council on October 26, 2021, and came into effect on the same date, explicitly call for the vigorous development of renewable energy and the promotion of large-scale development and utilisation of new energy sources such as photovoltaics. They designate the photovoltaic industry as one of the core industries for achieving the carbon peaking and carbon neutrality goals, thereby laying the top-level policy foundation for the industry's development.

Pursuant to the Photovoltaic Manufacturing Industry Specifications (《光伏製造行業規範條件》) and the Interim Measures for the Administration of Announcements on Photovoltaic Manufacturing Industry Specifications (《光伏製造行業規範公告管理暫行辦法》) promulgated by the Ministry of Industry and Information Technology ("**MIIT**") on November 15, 2024 and came into effect on the same day, PV manufacturing enterprises and projects should meet the requirements of national resources development and utilisation, environmental protection, energy conservation management and other laws and regulations, meet the requirements of national industrial policies and related industrial planning and layout, meet the requirements of local territorial space planning, social and economic development planning and environmental protection planning, meet the requirements of regional ecological environment zoning control and environmental assessment planning.

The Notice of the National Energy Administration on Several Measures to Promote the Development of the Private Sector in the Energy Sector (《國家能源局關於促進能源領域民營經濟發展若干舉措的通知》), issued by the National Energy Administration on April 23, 2025, and came into effect on the same date, explicitly states that the private sector is encouraged to engage in innovation and development within the energy sector. It actively supports private enterprises in playing a significant role in major technological innovations in the energy sector, and encourages leading private technology companies to participate in the research and formulation of major strategies, plans, standards, and policies for the development of energy technology. The Notice also encourages collaboration between national scientific and technological innovation platforms, such as national laboratories, and private enterprises to jointly tackle challenges and achieve the open sharing of research outcomes.

The Implementation Opinions of the National Development and Reform Commission and the National Energy Administration on Promoting High-Quality Development of 'AI+' Energy (《國家發展改革委國家能源局關於推進「人工智能+」能源高質量發展的實施意見》), jointly issued by the National Development and Reform Commission and the National Energy Administration on September 4, 2025, and came into effect on the same date, stipulates that, with respect to the dynamic adaptation of new types of energy storage to power system dispatch, wide-area coordinated interaction, weak grid support, safety monitoring of battery equipment, and evaluation and maintenance of the equipment itself, artificial intelligence technologies shall be applied to enhance the coordinated control capability of multiple types of energy storage in weak grid scenarios. It aims to establish an application system encompassing wide-area collaborative optimisation control of new energy sources and co-located new energy storage systems, intelligent assessment of energy storage power stations, smart operation and maintenance decision support, and full-lifecycle safety, thereby improving the power supply reliability of system-friendly new energy power stations.

The Opinions on Further Strengthening Intellectual Property Protection in the Photovoltaic Industry (《關於進一步加強光伏產業知識產權保護工作的意見》), jointly issued by the National Intellectual Property Administration and the Ministry of Industry and Information Technology on December 31, 2025, and came into effect on the same date. The document requires giving full play to the value functions of intellectual property protection and innovation incentives, effectively addressing "involutionary" competition, continuously fostering a fair and orderly market environment, and promoting the healthy development of the photovoltaic industry. The Opinions emphasises on strengthening coordinated protection of intellectual property rights, and stating that "prohibit the import and export of photovoltaic products that infringe upon intellectual property rights in accordance with the law"; enhancing infringement regulation in bidding and tendering, stating that "central and state-owned enterprises must set a good example by resolutely eliminating the manufacture, sale, and use of goods that infringe upon intellectual property rights, and are encouraged to explicitly require bidders in tender documents to provide a written commitment that the relevant products do not involve any intellectual property violations or infringements."

## REGULATIONS RELATING TO PRODUCT QUALITY

According to Product Quality Law of the PRC (《中華人民共和國產品質量法》) latest amended by the SCNPC on December 29, 2018 and came into effect on the same day, manufacturers shall be liable for the quality of products produced by them and sellers shall take necessary measures to ensure the quality of the products sold by them. If personal injury or damage to property other than the defective product itself is caused by a product defect, the producer shall bear corresponding liability for compensation. Where a product defect is caused by the fault of the seller, resulting in personal injury or damage to the property of others, the seller shall bear the liability for compensation. Where a defective product causes physical injury to a person or property damage, the infringed party has the right to request compensation from either the producer or the seller.

## REGULATIONS RELATING TO SAFE PRODUCTION

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》, the "**Production Safety Law**") amended by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of standards, and enhance the level in this aspect to ensure production safety.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》), amended by the Former State Administration of Work Safety on April 2, 2015 and came into effect on May 1, 2015, the safety facilities in a newly built, reconstructed or expanded construction project must be designed, constructed and put into use simultaneously with the main body of the project. If an enterprise violates the relevant requirements, it may be ordered to make corrections within a specified time limit, discontinue the construction process or suspend its production and business operation for rectification, and a fine will be imposed.

## REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION, ENERGY CONSERVATION REVIEWS, AND FIRE SAFETY

### Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**") last amended on April 24, 2014, and came into effect on January 1, 2015, enterprises, institutions and other producers and business operators shall prevent and reduce environmental pollution and ecological damage, and bear liability for any damage caused in accordance with the law. 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 last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection for Construction Projects (《建設項目環境保護管理條例》), which was last 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 an environmental impact assessment system for 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. Furthermore, upon completion of a construction project for which an environmental impact report or statement has been prepared, the construction entity must conduct an acceptance inspection of the supporting environmental protection facilities in accordance with the standards and procedures prescribed by the competent environmental protection administrative department under the State Council, and prepare an acceptance report.

According to the Law on Prevention and Control of Environmental Pollution Caused by Solid Wastes of the PRC (《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, any entity or individual that generates, collects, stores, transports, utilises 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.

The Law on Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》), which was last amended by the SCNPC on June 27, 2017 and came into effect on January 1, 2018, the Law on Prevention and Control of Atmospheric Pollution of the PRC (《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 came into effect on the same day, and the Law on Prevention and Control of Environmental Noise Pollution of the PRC (《中華人民共和國噪聲污染防治法》), which was promulgated by the SCNPC on December 24, 2021 and came into effect on June 5, 2022, prescribe the requirements for the prevention and control of water pollution, atmospheric pollution, and noise pollution respectively.

**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.

**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 came into 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.

## REGULATIONS RELATING TO LAND USE AND BUILDING CONSTRUCTION

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was last amended by the NPCSC on April 23, 2019, and came into effect on the same day, after obtaining the approval, verification, and recorded documents and signing the contract for transfer of the right to use of State-owned land, the developing unit shall apply to the department in charge of urban and rural planning for a permit for planned use of land for construction. Where construction work is conducted in a city or town planning area, the relevant construction entity shall apply for a construction work planning permit from the competent administrative authority in charge of urban and rural planning.

According to the Construction Law of the PRC (《中華人民共和國建築法》), which was last amended by the NPCSC on April 23, 2019, and came into effect on the same day, prior to the commencement of a construction work, a construction entity shall apply for a construction permit (施工許可證) from the competent construction administrative authority, except for small-scale projects that meet the requirements and conditions set by the competent construction administrative authority.

According to the Measures for the Administration of Completion Acceptance and Filing of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the MOHURD and came into effect on October 19, 2009, any entity in the PRC that carries out construction works to build, expand or re-build real properties or municipal infrastructure projects shall, within 15 days after the acceptance of the relevant construction work, make a record-filing with the competent construction administration authority.

## REGULATIONS RELATING TO IMMOVABLE PROPERTY AND HOUSING LEASE

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020, and came into effect on January 1, 2021, the creation, alteration, transfer, or extinguishment of a real right in immovable property that is required by law to be registered, becomes effective at the time when it is recorded in the registration of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the real right in the immovable property.

According to the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, it may be ordered to rectify within a specified period. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

## REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

### 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 effective on June 1, 2021, and its Implementation Regulations, patents are divided into three categories, i.e. invention patents, utility model patents and design patents. The validity period of patent for an invention is 20 years, while the validity period of patent for a utility model is 10 years and that of a design is 15 years, from the date of application. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Any exploitation of a patent without the authorisation of the patentee constitutes an infringement of the patent right of the patentee.

### 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 effective on November 1, 2019, and its Implementation Rules, trademarks approved by and registered with the Trademark Office are registered trademarks, including good marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of the registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date. The valid period for each renewal of registration is ten years, commencing from the date immediately following the expiration of the previous validity period of the trademark.

### Copyright

According to the Regulations on Computer Software Protection (《計算機軟件保護條例》) last amended by the State Council on January 30, 2013, and came into effect on March 1, 2013, as well as the Measures for the Registration of Computer Software Copyrights (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day, the National Copyright Administration is mainly responsible for the registration and management of software copyrights nationwide and has authorised the China Copyright Protection Centre to accept registration applications, and upon approval, issue registration certificates to applicants.

### Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated on August 24, 2017 and came into effect on November 1, 2017, the MIIT is the primary regulatory authority responsible for the administration of internet domain names in China. Domain name registration is handled through domain name root servers and their operating entities, domain name registration administration institutions and domain name registration service institutions established in accordance with relevant regulations.

## REGULATIONS RELATING TO DATA SECURITY, CYBERSECURITY AND PERSONAL INFORMATION PROTECTION

### Data Security

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》), which was issued by the NPCSC on June 10, 2021 and came into effect on September 1, 2021, entities conducting data processing activities shall fulfil data security protection obligations, assume social responsibilities, and shall not endanger national security or public interests, or harm the legitimate rights and interests of individuals or organisations. Any individual or organisation collecting data shall do so in a lawful and legitimate manner, and shall not steal or obtain data in other illegal means.

### Cybersecurity

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated by the SCNPC on October 28, 2025 and came into effect on January 1, 2026, the construction, operation of a network or the provision of services through a network shall, in accordance with the provisions of the laws, administrative regulations and the mandatory requirements of the national standards, adopt technical measures and other necessary measures to safeguard the safe and stable operation of the network, and to effectively respond to network security events, prevent illegal and criminal activities on the network, and maintain the integrity, confidentiality and availability of network data. In the event of a violation of the relevant provisions and requirements under the Cybersecurity Law, individuals or organisations may face penalties including warnings, fines, confiscation of illegal gains, revocation of licences, or closure of websites, and may be subject to criminal liability in serious circumstances.

### Personal Information Protection

Pursuant to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), promulgated by the SCNPC on August 20, 2021, and came into effect on November 1, 2021, the processing of personal information must adhere to the principles of legality, legitimacy, necessity, and good faith; personal information must not be processed through misleading, fraudulent, or coercive means. Personal information shall be processed for a clear and reasonable purpose which is directly related to the processing purpose and in the manners that have the minimum impacts on the rights and interests of individuals. The collection of personal information shall be limited to the minimum scope for achieving the purpose of handling and it is not allowed to excessively collect personal information. Processing of personal information shall follow the principles of openness and transparency, with personal information processing rules disclosed. The purpose, manner and scope of processing should be explicitly disclosed. A personal information processor shall be responsible for its handling of personal information and take necessary measures to ensure the security of the personal information handled.

## REGULATIONS RELATING TO EMPLOYMENT AND LABOUR PROTECTION

### Labour Law and Labour Contract Law

According to the Labour 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 the same day, an employer shall develop and improve its labour safety and health system, strictly implement national standards and protocols on labour safety and health, conduct labour safety and health education for employees, guard against labour accidents and reduce occupational hazards.

Pursuant to the Labour Contract Law of the People's Republic of China and its implementing regulations, last amended by the SCNPC on December 28, 2012, and came into effect on July 1, 2013, employers and employees shall enter into a written labour contract when establishing an employment relationship. Employers shall not compel employees to work overtime. If overtime is arranged, employers shall pay overtime wages to employees in accordance with relevant state regulations. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

### 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》) which was amended by the SCNPC on December 29, 2018 and came into effect on the same day, and the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was amended by the State Council on March 24, 2019 and came into effect on the same day, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employers who failed to promptly make social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a prescribed time limit, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within prescribed time limit, the relevant administrative authorities shall impose a fine ranging from one to three times the outstanding amount.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》) last amended by the State Council on March 24, 2019 and came into effect on the same day, employers are required to make contributions to housing provident funds for their employees. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in such payment will be ordered to make the payment or make up the shortfall within the prescribed time limit by the housing provident fund management centre; otherwise, the housing provident management centre is entitled to apply for compulsory enforcement with the People's Court. The contribution ratio of employee and employer's housing provident fund shall not be less than 5% of the employee's monthly average salary in the previous year. Cities with favourable conditions can appropriately adjust the contribution ratio.

According to the Notice of the STA on Implementing Measures to Further Support and Serve the Development of Private Economy (《國家稅務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》), promulgated by the STA on November 16, 2018 and came into effect on the same day, no centralised collection of unpaid arrears from taxpayers including private enterprises in the previous years is allowed to independently organised or carried out. The Notice of the General Office of the State Council on Issuance of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發<降低社會保險費率綜合方案>的通知》), promulgated by the General Office of the State Council on April 1, 2019, also emphasises that the historical unpaid arrears of the enterprise shall be properly treated, and no centralised collection of historical unpaid arrears from enterprises is allowed to independently organised in the process of reformation of the collection system.

## REGULATIONS RELATING TO TAX

### Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) last amended by the NPC on December 29, 2018 and came into effect on the same day, and its implementation regulations, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% preferential tax rate for Enterprise Income Tax.

### Value-added Tax

According to the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was last amended by the MOF on October 28, 2011 and came into effect on November 1, 2011, entities and individuals that sell goods, provide labour services of processing, repair or replacement, or import goods within the territory of mainland China are taxpayers of value-added tax.

Pursuant to the Notice of the MOF and the STA on the Adjustment to Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), promulgated by the MOF and the SAT on April 4, 2018 and came into effect on May 1, 2018, the VAT rates for sales and imported goods are adjusted from 17% and 11% to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》) issued by the MOF, the STA and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, the VAT rates of 16% and 10% on sales and imported goods shall be adjusted to 13% and 9%, respectively.

According to the Notice by the Ministry of Finance and the State Taxation Administration of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值稅加計抵減政策的公告》) promulgated on September 3, 2023, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to additionally deduct 5% of the current period's deductible input VAT from their payable VAT.

**Relevant Income Tax on Dividend Distribution**

Pursuant 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 (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and its protocol, promulgated by the State Administration of Taxation on August 21, 2006 and came into effect on December 8, 2006, if a Hong Kong residents directly holds no less than 25% of the equity in a PRC domestic company, the dividends distributed by the PRC domestic company to such Hong Kong residents shall be subject to tax at a rate of 5%; if the shareholding percentage of the Hong Kong residents in the PRC domestic company does not exceed 25%, the relevant dividends shall be subject to tax at a rate of 10%. The Fifth Protocol to the Arrangement, promulgated by the State Administration of Taxation and effective on December 6, 2019, stipulates that the above preferential tax treatment shall not apply to arrangements or transactions whose main purpose is to obtain such tax benefits.

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), last amended on August 31, 2018 and came into effect on January 1, 2019, and the Implementing Regulations for the Individual Income Tax Law of the People's Republic of China, income from interest, dividends and bonuses, income from leasing of property, income from transfer of property and incidental income are subject to a proportional tax rate, uniformly set at 20%. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises.

Pursuant to the Notice of the State Taxation Administration on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《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》) issued by the SAT on November 6, 2008 and came into effect on the same date, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008.

## REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Control《中華人民共和國外匯管理條例》, as amended and effective on August 5, 2008, foreign exchange payments under current account items may be made with their own foreign exchange funds based on valid documents or by purchasing foreign exchange from financial institutions engaged in the settlement and sale of foreign exchange. Domestic institutions or domestic individuals making direct investment overseas or engaging in the issuance or trading of overseas securities or derivatives shall complete the registration procedures in accordance with the provisions of the foreign exchange administration department of the State Council. According to the Circular on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the State Administration of Foreign Exchange on February 13, 2015, banks are authorised to directly review and process foreign exchange registrations for domestic direct investment and overseas direct investment on behalf of the State Administration of Foreign Exchange, while the State Administration of Foreign Exchange and its branches exercise indirect supervision over direct investment foreign exchange registrations through banks.

According to the Notice on Issues Concerning the Management of Funds for Overseas Listing by Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) issued by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and came into effect on April 1, 2026, the People's Bank of China, the State Administration of Foreign Exchange and their branches shall oversee, regulate and inspect domestic enterprises regarding their business registration, accounts opening and use, cross-border payments and receipts, and exchange of funds involved in overseas listing. Domestic enterprises listing overseas shall apply for overseas listing registration at a bank within the provincial/planned-city jurisdiction where they are registered, submitting the required materials within 30 working days from the first trading day of the overseas listing or the completion of the **[REDACTED]**.

## REGULATIONS RELATING TO OVERSEAS SECURITIES [REDACTED] AND [REDACTED]

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies promulgated by the China Securities Regulatory Commission ("**CSRC**") on February 17, 2023, and came into effect on March 31, 2023, domestic companies issuing and listing overseas must file with the CSRC. An issuer seeking an overseas **[REDACTED]** or **[REDACTED]** shall, within three working days after submitting the **[REDACTED]** and listing application documents overseas, file a registration with the CSRC.

According to the Provisions on Strengthening Confidentiality and Archives Management for Domestic Enterprises Engaging in Overseas Securities Issuance and Listing (《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》) jointly issued by the CSRC, the MOF, the National Administration of State Secrets Protection, and the National Archives Administration on February 24, 2023, and came into effect on March 31, 2023, domestic enterprises engaged in overseas securities issuance and listing activities, as well as securities companies and securities service institutions providing related services, shall enhance legal awareness of safeguarding state secrets and strengthening archives management, establish and improve confidentiality and archives management systems, take necessary measures to implement confidentiality and archives management responsibilities, and shall not disclose state secrets or state agency work secrets, nor harm national or public interests.