Our business are subject to relevant laws, rules and regulations of the places where we operate in many aspects. This section sets out a summary of the PRC laws, regulations and regulatory documents (the "**PRC laws**") that are significant to our current business activities in the PRC, which are subject to changes in the future. However, it does not include a detailed analysis of the PRC laws relating to our business activities and operations in the PRC and is not intended to be an exhaustive list of all PRC laws applicable to our operations in the PRC.

LAWS AND REGULATIONS RELATING TO COMPANIES

According to the Company Law of the People's Republic of China (《中華人民共和國公司法》) last amended by the Standing Committee of the National People's Congress (the "**SCNPC**") on 29 December 2023 and implemented on 1 July 2024, both of limited liability companies and joint stock limited companies established in the PRC have the status of legal persons. The liability of shareholders of a limited liability company and a joint stock limited company is limited to the amount of capital they have contributed or shares they have subscribed for. The Company Law of the People's Republic of China (《中華人民共和國公司法》) also applies to foreign-invested enterprises. Where laws on foreign investment have other stipulations, such stipulations shall apply.

LAWS AND REGULATIONS RELATING TO FOREIGN-INVESTED ENTERPRISES AND OVERSEAS INVESTMENT

Foreign-Invested Enterprises

According to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) implemented by the National People's Congress on 1 January 2020, China implements the pre-entry national treatment and the negative list management system to foreign investments. The pre-entry national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; and the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will give national treatment to foreign investments outside the Negative List.

Overseas Investment

The Administrative Measures on Overseas Investments Management (《境外投資管理辦法》) was promulgated by the MOFCOM on 6 September 2014 and implemented on 6 October 2014. "Overseas investment," as defined by the Administrative Measures on Overseas Investment Management (《境外投資管理辦法》), means ownership of a non-financial enterprise through new establishment, merger and acquisition or any other methods overseas by an enterprise established in the PRC pursuant to the law or obtaining ownership, controlling stake, business management right and other interests in an existing non-financial enterprise. Overseas investments involving sensitive countries and regions or sensitive industries are subject to the approval of the competent authorities. All other overseas investments are subject to filing administration. Local enterprises file with the provincial commercial administration authorities where they are located.

The Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on 26 December 2017 and implemented on 1 March 2018. "Outbound investment," as defined therein, means the investment activities to obtain overseas ownership, right of control, business management right, and other related rights and interests by an enterprise located within the territory of the PRC, either directly or via an overseas enterprise under its control, by way of investments with assets or equities or proving financing or guarantees. To conduct outbound investment, certain procedures must be complied with, including approval and record-filing of the overseas investment project, reporting relevant information and co-operating with supervision and inspection.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

According to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) amended by the SCNPC on 10 June 2021 and implemented on 1 September 2021, an enterprise shall (i) provide production safety conditions as stipulated in Production Safety Law of the People's Republic of China and other relevant laws, administrative regulations, national and industry standards, (ii) establish a comprehensive production safety accountability system and production safety rules, and (iii) develop production safety standards to ensure production safety. Any entity that fails to provide required production safety conditions is prohibited from engaging in production activities.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), last amended and implemented on 29 December 2018 by the SCNPC, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures.

LAWS AND REGULATIONS RELATING TO POWER STATION CONSTRUCTION AND POWER GENERATION BUSINESS

General Contracting of Electric Power Engineering Construction

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) last amended and implemented by the SCNPC on 23 April 2019 and the Qualification Standards for Construction Enterprises (《建築業企業資質標準》) and its amendments implemented by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (the "**MOHURD**") on 1 January 2015. Construction general contracting projects (including general contracting of electric power engineering construction) shall be undertaken by enterprises that have obtained corresponding construction general contracting qualifications.

Licenses for Undertaking Installation (Repair, Testing) of Electric Power Facilities

According to the provisions of the Administrative Measures for the Licenses for Undertaking Installation (Repair, Testing) of Electric Power Facilities (《承裝(修、試)電力設施許可證管理辦法》) amended by the NDRC on 11 April 2025 and implemented on 1 July 2025, any entity engaged in undertaking installation, repair and testing activities of electric power facilities within the territory of the People's Republic of China shall obtain a license in accordance with the provisions.

Electric Power Business License

According to the Regulations on Electric Power Supervision (《電力監管條例》) implemented by the State Council on 1 May 2005 and the Administrative Regulations on Electric Power Business Licenses (《電力業務許可證管理規定》) last amended by the NDRC on 4 January 2024, an enterprise that engages in the electric power business within the PRC is required to obtain electric power business license in accordance with relevant regulations.

LAWS AND REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION LICENSE

Land Use Rights

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) last amended on 26 August 2019 and implemented on 1 January 2020 by the SCNPC, state-owned land may be granted or allocated for use by construction entities in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) last amended by the State Council on 10 March 2024, and implemented on 1 May 2024, registration of real estate shall be conducted by the real estate registration agency of the people's government at the county level where the real estate is located.

Construction Land Planning Permit

According to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》) last amended and implemented by the SCNPC on 23 April 2019, the use of state-owned land use rights acquired by way of grant or allocation are required to obtain a construction land planning permit. If a construction unit approves land use without obtaining a construction land planning permit, the relevant approval document shall be revoked by the people's government above the county level; the occupied land shall be promptly returned; and any damage caused to the party concerned shall be compensated in accordance with the law.

Construction Project Planning Permit

According to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), to build any structure, fixture, road, pipeline or other engineering project within a city or town planning area, the construction entity or individual shall apply to the competent department of urban and rural planning under the people's government of the city or county or the town people's government specified by the people's government of the province, autonomous region or municipality directly under the central government for a planning permit on construction project.

Construction Permit for Construction Project

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》), before the construction project begins, the construction entity shall apply for a construction permit for construction project from the construction competent department of the people's government at or above the county level where the project is located in accordance with the relevant state regulations, except for small-scale projects below the limit determined by the construction competent department of the State Council.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental Impact Assessment

According to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) amended by the SCNPC on 24 April 2014 and implemented on 1 January 2015, the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) last amended and implemented by the SCNPC on 29 December 2018, the Regulations on the Administration of Environmental Protection for Construction Project (《建設項目環境保護管理條例》) last amended by the State Council on 16 July 2017 and implemented on 1 October 2017, Administration Regulations on Record-filing of the Registration Forms of Construction Projects (《建設項目環境影響登記表備案管理辦法》) promulgated by the former Ministry of Environmental Protection (now abolished and changed to the Ministry of Ecology and Environment of the PRC) on 16 November 2016 and came into effect on 1 January 2017, the Interim Measures on Environmental Protection Acceptance of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection of the People's Republic of China on 20 November 2017 and effective on 20 November 2017 and other relevant environmental laws and regulations, construction projects shall go through the environmental impact assessment procedure accordingly. The construction projects which may have significant impact on the environment shall prepare an environmental impact report with full and detailed assessment of their impact on the environment while those projects which have less severe environmental impact are required to prepare an environmental impact report regarding analysis or specific assessment of the environmental impacts, and those projects which have slight impact on the environment are not required to conduct environment impact assessment but need to complete the environmental impact registration form.

Permission for Pollutant Discharges

According to the Regulations on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on 24 January 2021 and implemented since 1 March 2021, and the Catalog for the Classified Management of Pollutant Discharge Permitting for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄》(2019年版)) issued by the Ministry of Ecology and Environment on 20 December 2019 and came into effect on the same date, enterprises, public institutions and other manufacturers which are subject to pollutant discharge permit management as stipulated by laws must apply for and obtain pollutant discharge permits.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) last amended and implemented by the SCNPC on 30 December 2022, the State permits the free import and export of goods and technologies. Based on the need to monitor the import and export goods, the competent department of foreign trade under the State Council may implement automatic import and export licensing for certain freely import and export goods and publish their catalogs. For import and export goods subject to automatic licensing, if the consignee or consignor applies for automatic licensing before going through the customs declaration formalities, the competent department of foreign trade under the State Council or its entrusted institution shall be licensed.

LAWS AND REGULATIONS RELATING TO LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Contract

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) last amended and implemented by the SCNPC on 29 December 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) last amended by the SCNPC on 28 December 2012 and implemented on 1 July 2013, and the Implementing Regulations of the Labor Contracts Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on 18 September 2008, and effective on the same date, labor relationships between employers and employees must be executed in written form.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) last amended and implemented by the SCNPC on 29 December 2018, the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》) last amended and implemented by the State Council on 24 March 2019 and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) last amended and implemented by the State Council on 24 March 2019, a domestic enterprise shall pay premium for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance, basic medical insurance and housing provident fund for its employees at an appropriate percentage based on the amounts stipulated by the laws.

On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labour Dispute Cases on the Group (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the "Interpretation II"), which has taken effect as of September 1, 2025. Under the Interpretation II, participating in social insurance is a statutory obligation for both employers and employees. Any arrangement to avoid participation, whether by unilateral undertaking or mutual agreement, is invalid. Furthermore, the Interpretation II stipulates that if an employee terminates the labor contract on the grounds of the employer's failure to make social insurance contributions as required by law and claims economic compensation, the People's Court of the PRC shall support such a claim.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) last amended by the SCNPC on 17 October 2020 and effective on 1 June 2021 as well as the Implementation Regulations for the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) last amended by the State Council on 11 December 2023 and effective on 20 January 2024, inventions refer to inventions, utility models and designs.

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) last amended by the SCNPC on 23 April 2019 and effective on 1 November 2019, and the Implementation Rules of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) amended by the State Council on 29 April 2014 and effective on 1 May 2014, stipulate the registration of a trademark shall be valid for ten years from the date of approval.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) last amended by the SCNPC on 11 November 2020 and implemented on 1 June 2021, and the Implementation Rules of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) last amended by the State Council on 30 January 2013 and implemented on 1 March 2013, works of Chinese citizens, legal persons or unincorporated organisations, 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.

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND PRIVACY PROTECTION

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), implemented by the NPC on 1 January 2021, the personal information of a natural person shall be protected. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others.

The PRC Cyber Security Law (《中華人民共和國網絡安全法》), which was promulgated on 7 November 2016 and became effective on 1 June 2017, prohibits individuals or entities from obtaining personal information through stealing or other illegal ways, selling or otherwise illegally disclosing personal information.

The PRC Data Security Law (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on 10 June 2021 and became effective on 1 September 2021, stipulates that the entity carries out data processing activities shall abide by laws and regulations, show respect for social morality and ethics, observe business ethics and professional ethics, be honest and trustworthy, perform the obligations of data security protection and undertake social responsibilities, and shall not endanger national security or public interests, or damage the legitimate rights and interests of individuals or organizations.

The Cybersecurity Review Measures (《網絡安全審查辦法》), which was promulgated on 28 December 2021, and effective from 15 February 2022, stipulates that operators of critical information infrastructure purchasing network products and services, and network platform operators carrying out data processing activities that affect or may affect national security, shall conduct cybersecurity review. The Cybersecurity Review Measures further specifies that network platform operators who hold personal information of more than 1 million users, when applying for listing abroad, must report to the Cybersecurity Review Office for a cybersecurity review. The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) which became effective from 1 November 2021. According to this law, the handling of personal information shall be for a definite and reasonable purpose, be directly related to the purpose of handling and shall be conducted in away that minimizes the impact on personal rights and interests.

On September 24, 2024, the State Council promulgated the Administration Regulation on Cyber Data Security (《網絡數據安全管理條例》), which came into effect on 1 January 2025. the Administration Regulation on Cyber Data Security provides detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the The PRC Cyber Security Law, the PRC Data Security Law and the PRC Personal Information Protection Law.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) announced by the State Council on August 5, 2008 and effective on the same day, transactions involving goods, services, income and current transfers in the balance of payments are regarded as current accounts, under which the foreign exchange payments shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document.

According to the Circular on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated on December 26, 2014 by the State Administration of Foreign Exchange of the PRC (the "**SAFE**") and implemented since the same date, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the State Administration of Foreign Exchange of the place where it is incorporated.

On 13 February 2015, the SAFE issued the Circular of Further Simplifying and Improving Foreign Exchange Administration Policies on 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》), which was partially abolished in December 2019. It stipulates that banks shall directly examine and handle foreign exchange registration under overseas direct investment, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration and examination of overseas direct investment through banks.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated on 16 March 2007 and last amended on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) which was promulgated on 6 December 2007 and last amended on 6 December 2024 and implemented on 20 January 2025, the income tax rate for both domestic and foreign-invested enterprises is 25%. Furthermore, resident enterprises, which are enterprises that are set up in accordance with PRC law, or that are set up in accordance with the law of a foreign country (region) but with their actual administration institution in the PRC, must pay enterprise income tax originating both within and outside the PRC. While non-resident enterprises that have set up institutions or premises in the PRC shall pay enterprise income tax in relation to their income originating from the PRC and obtained by their institutions or establishments, and their income incurred outside the PRC but where there is an actual relationship with the institutions or establishments set up by such enterprises. Non-resident enterprises that have not set up institutions or establishments in the PRC, or where institutions or establishments are set up but where there is no actual relationship with the income obtained by the institutions or establishments set up by such enterprises, they must pay enterprise income tax in relation to the income originating from the PRC at the rate of 10%.

Value-Added Tax

According to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was last amended by the State Council on 19 November 2017 and came into effect on the same day, 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 Ministry of Finance of the PRC (the "**MOF**")on 28 October 2011 and came into effect on 1 November 2011, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in mainland China are subject to value-added tax. Unless otherwise specified in the above-mentioned regulations, the value-added tax rate is generally 17% in respect of the sale or importation of goods by taxpayers.

According to the Circular of on Adjusting Value-Added Tax Rates of Ministry of Finance and the State Administration of Taxation (《財政部、稅務總局關於調整增值稅稅率的通知》) announced by the MOF and the State Administration of Taxation of the PRC (the "**SAT**") on 4 April 2018 and effective from 1 May 2018, where a taxpayer engages in a taxable sales activity for value-added tax purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) announced by the MOF, the SAT, and the General Administration of Customs on 20 March 2019 and effective from 1 April 2019, with respect to taxable sales or imported goods of a value-added tax taxpayer, the originally applicable value-added tax rate of 16% shall be adjusted to 13%, and the originally applicable value-added tax rate of 10% shall be adjusted to 9%.

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

LAWS AND REGULATIONS RELATING TO SECURITIES [REDACTED] AND [REDACTED] BY DOMESTIC COMPANIES

The Securities Law, which was last revised by the SCNPC on 28 December 2019 and took effect on 1 March 2020, has comprehensively regulated the activities of the securities market in China, including the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the responsibilities of securities regulatory agencies.

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on 17 February 2023 and effective from 31 March 2023, where a domestic company issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities offering and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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 and other departments on 24 February 2023 and effective on 31 March 2023, in the overseas offering and listing activities of domestic companies, domestic companies, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public .

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

According to the Foreign Trade Law of the PRC (中華人民共和國對外貿易法) promulgated on 12 May 1994 and last revised on 27 December 2025, and the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods (中華人民共和國貨物進出口管理條例) promulgated by the State Council on 10 December 2001, last revised on 10 March 2024 and became effective on 1 May 2024, unless explicitly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods.

In accordance with the Export Control Law of the PRC (中華民共和國出口管制法), promulgated on 17 October 2020 and came into effect on 1 December 2020, China controls the export of dual-use items, military goods, nuclear materials, and other goods, technologies, services and other items that are relevant to safeguarding the security and interests of China and fulfilling international obligations in the area of non-proliferation. Under the provisions of the Export Control Law and relevant laws and administrative regulations, export control authorities, in conjunction with relevant departments and following prescribed procedures, formulate and adjust the export control lists of controlled items, and make them public in a timely manner. To safeguard national security and interests and to fulfil international obligations such as non-proliferation, the export control authorities may impose temporary controls on goods, technologies and services not included in the export control lists, and make public announcements thereof.

LAWS AND REGULATIONS RELATING TO U.S. EXPORT CONTROLS, SANCTIONS AND INVESTMENT POLICIES

U.S. Export Controls

Pursuant to the Export Administration Act of 1979 and the Export Control Reform Act of 2018, the Export Administration Regulations (the "EAR") govern the export, reexport, and in-country transfer of items subject to the EAR. Items subject to the EAR include all items in the United States, all U.S. origin items wherever located, and certain non-U.S. made items pursuant to de minimis rule and foreign direct product rule. Furthermore, the EAR impose additional restrictions on the transfer of items to restricted parties, restricted destinations or for restricted end uses. Specifically, no person may, without a license, knowingly export, reexport, or transfer (in-country) any item subject to the EAR to an embargoed country/region, or to an end user or end use that is prohibited by Part 744 of the EAR. Violations of the EAR or any order, license or authorization issued thereunder may result in civil and criminal penalties.

U.S. Sanctions

Under the authorities granted by the International Emergency Economic Powers Act (the "IEEPA") and the Trading with the Enemy Act (the "TWEA"), the U.S. President can create and enforce sanctions programs through Executive Orders to deal with any unusual and extraordinary threat to the national security, foreign policy, or economy of the United States. In practice, the Office of Foreign Assets Control (the "OFAC") under the Department of the Treasury is tasked with implementing and enforcing sanctions measures in accordance with relevant Executive Orders. Currently, Iran, North Korea, Cuba, the Crimea Region, Luhansk Region and Donetsk Region are subject to comprehensive sanctions imposed by the U.S. government. Besides comprehensive sanctions against certain countries, the U.S. government also imposes sanctions on certain individuals or entities for endangering the national security and foreign policy of the U.S. The main sanctions lists administered by OFAC (and other departments such as Department of Defense) include the Specially Designated Nationals List (SDN List), the Non-SDN Military Industrial Complex List (NS-CMIC List), and the Chinese Military Companies List (CMC List).

Outbound Investment Rule by the U.S. Department of the Treasury

On August 9, 2023, the U.S. President issued Executive Order No. 14105, directing the Secretary of the Treasury to establish a program to prohibit or require notification of certain types of outbound investments by U.S. persons into certain entities located in or subject to the jurisdiction of countries of concern (currently China was identified, including Hong Kong and Macau) that are engaged in activities in certain sectors (currently including semiconductors and microelectronics, quantum information technologies or artificial intelligence). On January 2, 2025, the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern became effective (the "Outbound Investment Rules"). Under the Outbound Investment Rules, U.S. persons are subject to notification requirements or prohibitions if they engage in "covered transactions" involving "covered foreign persons".

LAWS AND REGULATIONS RELATING TO EU EXPORT CONTROLS AND SANCTIONS

EU Export Controls

Regulation (EU) 2021/821 adopts an approach where a controls list is coupled with comprehensive control measures to regulate the export, technical assistance, brokering and transit of dual-use items. Dual-use items include those identified in Annex 1 to the Regulation (EU) 2021/821 and items subject to catch-all controls under the Regulation. Beyond Annex 1, items are also controlled if it is for military end uses, civil surveillance or uses of concern with respect to public security, including the prevention of acts of terrorism, or human rights considerations.

EU Sanctions

Article 29 of the Treaty on European Union (TEU) empowers the Council of the European Union to adopt decisions to impose sanctions against non-EU countries, non-state entities or individuals. EU sanctions may be imposed to implement United Nations Security Council resolutions or on an autonomous basis. The EU also imposes trade restrictions on countries including Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, the Central African Republic, North Korea, the Democratic Republic of the Congo, Guatemala, Guinea, Haiti, Iran, Lebanon, Libya, Mali, Montenegro, Myanmar, Nicaragua, Niger, Russia, Serbia, Somalia, South Sudan, Sudan, Syria, Tunisia, Ukraine, Venezuela, Yemen and Zimbabwe.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE U.S

The U.S. Regulations expected to be material to our operations are those relating to, among others, product compliance and safety, international trade as described below.

Product Compliance and Safety

Key national standards include UL 1741, the primary safety standard for inverters and interconnection equipment, and UL 9540, which governs the system-level safety standard for energy storage systems and requires rigorous large-scale fire propagation testing. For grid interconnection, products must comply with IEEE 1547, which mandates advanced "smart inverter" functions to support grid stability. In addition, different states in the U.S. have specific requirements. For example, New York City enforces a complex, multi-stage approval process that begins with a product-specific certificate of approval based on full-scale fire testing, followed by a site-specific plan review and multiple inspections.

International Trade and Tariffs

On February 1, 2025, U.S. imposed a 10% fentanyl-related tariff on Chinese goods, and the tariff rate was shortly increased to 20% in March. On April 2, 2025, the U.S. president signed two executive orders according to IEEPA announcing that the U.S. would impose a 10% reciprocal tariff on trading partners and levy higher tariffs on certain trading partners. Following a period of escalated tensions, the temporary reciprocal tariff rate was as high as 125% on Chinese goods and 36% on Thai goods. In response, China adopted retaliatory tariffs up to 125% on all U.S. goods. The U.S. and China announced a 90-day suspension of certain tariff measures in May 2025, which was extended in August 2025. On November 4, 2025, the U.S. further reduced fentanyl-related tariffs from 20% to 10% and extended the suspension of heightened reciprocal tariffs on imports from the PRC until November 10, 2026. Correspondingly, China reduced its additional tariff rates on U.S. imports to 10%. As for U.S. reciprocal tariff on Thai goods, the 36% rate was suspended shortly after, and the reciprocal tariff reverted to 10%, remaining at that level due to successive presidential extensions until August 2025. On August 7, 2025, the reciprocal tariff on U.S. imports from Thailand was increased to 19%, a rate that has been in effect since then. On February 20, 2026, the U.S. Supreme Court ruled that the U.S. reciprocal tariffs are unconstitutional. On March 4, 2026, a court order further required U.S. CBP to liquidate entries without regard to the IEEPA duties. The Consolidated Administration and Processing of Entries ("CAPE") functionality within the Automated Commercial Environment ("ACE") developed by CBP for IEEPA duties refund will launch the first phase on April 20, 2026.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN GERMANY

Product Compliance and Safety

The European Union harmonization legislation governs product safety and conformity, including Directive 2014/35/EU (Low Voltage Directive) and Directive 2014/30/EU (Electromagnetic Compatibility Directive). Directive 2014/53/EU on radio equipment also applies when relevant product features are present. Product compliance is typically demonstrated by the EU declaration of conformity and CE marking. Market surveillance is governed at EU level by Regulation (EU) 2019/1020 and, in Germany, primarily enforced through the Product Safety Act and related measures. For non-harmonised consumer products, Regulation (EU) 2023/988 on general product safety has applied since 13 December 2024 and may be relevant if products are supplied to consumers rather than only to professional customers.

Product Liability and Commercial Practices

Product liability is governed at EU level by Directive 85/374/EEC, which has now been recast by Directive (EU) 2024/2853, and in Germany by the Product Liability Act (Produkthaftungsgesetz), alongside general contractual and tort liability under the German Civil Code (BGB). Commercial practices are regulated under Directive 2005/29/EC and implemented in Germany through the Act Against Unfair Competition (UWG).

Battery and Storage-specific Regulation

Battery systems and energy storage products are subject, at the EU level, to Regulation (EU) 2023/1542 concerning batteries and waste batteries. The Regulation applies directly and introduces requirements relating to sustainability, safety, labelling, producer registration, waste management, carbon footprint, recycled content, and, over time, battery passports and due diligence obligations. In Germany, the legal framework is being aligned with the EU Battery Regulation. The German Bundestag adopted the Batterierecht-EU-Anpassungsgesetz on September 11, 2025. In addition, the application date for the battery due diligence obligations has been postponed to August 18, 2027.

Packaging and Logistics Compliance

Packaging is governed at EU level by Directive 94/62/EC on packaging and packaging waste and, prospectively, by Regulation (EU) 2025/40 on packaging and packaging waste. In Germany, the central framework remains the Packaging Act (Verpackungsgesetz, VerpackG), including registration in the LUCID packaging register and, where applicable, participation in a dual system. Regulation (EU) 2025/40 entered into force on February 11, 2025 and will generally apply from August 12, 2026.