THE PRC LAWS

Our business is subject to the supervision and regulation of the PRC government. This section summaries the most important PRC laws, regulations, and regulatory documents that we are required to comply with.

Laws and Regulations Relating to Business Operation

Circular Economy Promotion Law

According to the Circular Economy Promotion Law of the PRC (《中華人民共和國循環經濟促進法》), promulgated by the SCNPC on August 29, 2008, effective from January 1, 2009, and last amended on October 26, 2018, the term "circular economy" refers to a generic term for the reducing, reusing, and recycling activities conducted in the process of production, circulation, and consumption. Among these, the term "reusing" refers to using wastes as a product directly ,using wastes after repair, renewal or reproduction or using part or all wastes as components of other products; the term "recycling" refers to using wastes as raw materials directly or after regeneration. Developing a circular economy is an important strategy for the economic and social development of the state.

Renewable Resource Recovery

According to the Administrative Measures for the Recovery of Renewable Resources (《再生資源回收管理辦法》), jointly issued on March 27, 2007 by the Ministry of Commerce of the PRC, the National Development and Reform Commission of the PRC ("National Development and Reform Commission"), the Ministry of Public Security of the PRC ("Ministry of Public Security"), the Ministry of Housing and Urban-Rural Development of the PRC, the State Administration for Industry and Commerce of the PRC (now the State Administration for Market Regulation), and the State Environmental Protection Administration of the PRC (now the Ministry of Ecology and Environment of the PRC). The Measures, which took effect on May 1, 2007 and was last amended on November 30, 2019, stipulates that whoever is to engage in business activities relating to the recovery of renewable resources may not engage in such business activities until it has satisfied the registration conditions under the industrial and commercial administration and completed industrial and commercial registration. The recordation items for renewable resources recovery operators shall be integrated into the business licenses.

Recovery and Disposal of Waste Electrical and Electronic Products, Hazardous Waste Management

According to the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), promulgated by the SCNPC on October 30, 1995, effective from April 1, 1996, and last amended on April 29, 2020, and the Regulations for the Administration of the Recovery and Disposal of Waste Electric and Electronic Products (《廢棄電器電子產品回收處理管理條例》), promulgated by the State Council of the PRC ("the State Council") on February 25, 2009, effective from January 1, 2011, and last amended on March 2, 2019, as well as the Administrative Measures for Eligibility License for Disposal of Waste and Discarded Electrical and Electronic Products (《廢棄電器電子產品處理資格許可管理辦法》), promulgated by the former Ministry of Environmental Protection of the PRC (now the Ministry of Ecology and Environment of the PRC) on December 15, 2010 and effective from January 1, 2011, the State shall adopt a qualification approval system for the disposal of waste electrical and electronic products, and encourage the large-scale, industrial and professional disposal of waste and discarded electrical and electronic products. No enterprises may engage in the disposal of waste electrical and electronic products unless they have obtained the qualification for disposing of waste electrical and electronic products, made registration according to the provisions, and expressly stated the disposal of waste electrical and electronic product in their business scope.

End-of-life Vehicle Recycling

According to the Measures for the Management of End-of-Life Vehicle Recycling (《報廢機動車回收管理辦法》) promulgated by the State Council on April 22, 2019, and effective from June 1, 2019, and the Detailed Rules for the Implementation of the Measures for the Recycling of End-of-life vehicles (《報廢機動車回收管理辦法實施細則》), which were promulgated on July 18, 2020, and came into effect on September 1, 2020, by the Ministry of Commerce of the PRC, the National Development and Reform Commission, the Ministry of Industry and Information Technology of the PRC, the Ministry of Public Security, the Ministry of Ecology and Environment of the PRC, the Ministry of Transport of the PRC, and the State Administration for Market Regulation, the provincial-level commerce authorities shall be responsible for recognizing the qualification certification for end-of-life vehicle recycling and dismantling enterprises. The State shall apply qualification recognition rules to recycling and dismantling enterprises. No entity or individual may engage in end-of-life vehicle recycling and dismantling activities if its or his qualification has not recognized.

Production of Hazardous Chemicals

According to the Regulations on the Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) (formerly known as Hazardous Chemical Goods Safety Administration Regulation (《化學危險物品安全管理條例》)), which were promulgated by the State Council on February 17, 1987, came into effect on the same date, and were last amended on December 7, 2013, a hazardous chemical producing enterprise shall meet the safety requirements specified by laws, administrative regulations, national standards, and industry standards, and obtain a hazardous chemical safety production license.

Hazardous Chemical Operations

According to the Measures for the Administration of the Permits for Trading in Hazardous Chemicals (《危險化學品經營許可證管理辦法》) issued by the former State Administration of Work Safety (now the Ministry of Emergency Management of the PRC) on July 17, 2012, effective from September 1, 2012, and last amended on May 27, 2015, the State has established a licensing system for the operation, including storage operation, of hazardous chemicals listed in the catalog of Hazardous Chemicals within the territory of the PRC. Enterprises engaged in the operation of these hazardous chemicals are required to obtain a hazardous chemical operation license in accordance with this measure. However, enterprises producing hazardous chemicals that have obtained a Hazardous Chemicals Safety Production license in accordance with the law are exempted from the requirement to obtain a Hazardous Chemicals Operation license for the sale of their own produced hazardous chemicals within their factory premises.

Other laws and regulations of significant importance to business operations

On March 26, 2025, the mandatory national standard Electric Vehicles Traction Battery Safety Requirements (《電動汽車用動力蓄電池安全要求》) (GB 38031-2025), formulated by the MIIT, was approved and published by the State Administration for Market Regulation and the Standardization Administration of China, and will take effect on 1 July 2026. The new regulations upgrade the "no fire and no explosion" of power batteries from technical suggestions to mandatory requirements, and add a large number of test items such as bottom impact test and safety test after fast charging cycle. This standard will promote the application of advanced safety technologies, and support high-quality industrial development.

On June 9, 2025, the Ministry of Ecology and Environment of the PRC and the other five departments jointly issued the Announcement on Regulating the Import Administration of Recycled Black Mass Raw Materials for Lithium-Ion Batteries and Recycled Iron and Steel Raw Materials (《關於規範鋰離子電池用再生黑粉原料、再生鋼鐵原料進口管理有關事項的公告》), clarifying that recycled black mass row materials for lithium-ion batteries that meets the standards does not belong to solid waste and can be freely imported. This announcement aims to promote the resource recycling and regulate the import administration of recycled black mass row materials for lithium-ion batteries and recycled steel raw materials.

Laws and Regulations Relating to Environmental Protection, Work Safety and Energy Conservation Review

Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on September 13, 1979, effective from the same date and last amended on April 24, 2014, the pollution prevention and installations included in a construction project shall be designed, constructed and put to use simultaneously with the body of the construction project. Such installations shall satisfy the requirements of the approved environmental impact assessment document, and may not be dismantled or left unused without permission. Enterprises, public institutions, and other businesses subject to pollutant discharge licensing management shall discharge pollutants according to the requirements of their respective pollutant discharge licenses; and those without a pollutant discharge license may not discharge pollutants.

In accordance with Law of the PRC on Environmental Impact Appraisal (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, effective from September 1, 2003, and last amended on December 29, 2018; the Regulations on Environmental Management of

Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, effective from the same date, and last amended on July 16, 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》), promulgated by the former Ministry of Environmental Protection of the PRC (now the Ministry of Ecology and Environment of the PRC) on November 20, 2017 and effective from the same date, the State practices the construction project environmental impact evaluation system. The State practices classified management over the appraisals of the environmental impacts of construction projects according to the seriousness of the impacts. The construction entities shall work out the report of environmental impacts, the report form of environmental impacts or the registration form of environmental impacts according to the regulations. The environmental impact report and report form of a construction project shall be submitted by the construction entity to the administrative department of ecology and environment with the approval authority for approval in accordance with the provisions of the State Council. The State shall conduct recordation administration of the environmental impact registration forms. Where the environmental impact assessment document of a construction project fails to undergo the examination of the approval department in accordance with the law or is disapproved after examination, the construction entity shall not commence construction. In addition, the construction entity shall be the responsible party for the environmental protection acceptance of completed construction projects. After the completion of a construction project for which an environmental impact report or environmental impact report form has been prepared, the construction entity shall, in accordance with the standards and procedures established by the administrative department of environmental protection under the State Council, organize the acceptance of supporting environmental protection facilities and prepare an acceptance report. This ensures that the required supporting environmental protection facilities for the construction project are put into operation or use simultaneously with the main project.

According to the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), promulgated by the SCNPC on October 30, 1995, effective from April 1, 1996, and last amended on April 29, 2020, entities and individuals that generate, collect, store, transport, utilize, or dispose of solid waste shall take measures to prevent or reduce environmental pollution caused by solid waste and shall bear responsibility for the resulting environmental pollution in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management.

According to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), promulgated by the SCNPC on May 11, 1984, effective from November 1, 1984, and last amended on June 27, 2017, discharge of water pollutants shall be within the state or local standards for the discharge of water pollutants and indicators for the total discharge control of major water pollutants. An enterprise or public institution which directly or indirectly discharges industrial waste water or medical sewage to waters or waste water or sewage that may be discharged after a pollutant discharge license is obtained as required shall obtain a pollutant discharge license.

According to 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》), promulgated by the SCNPC on September 5, 1987, effective from June 1, 1988, and last amended on October 26, 2018, enterprises, public institutions, and other business entities that discharge pollutants into the atmosphere shall conform to the atmospheric pollutant emission standards and comply with the total emission control requirements for key atmospheric pollutants. Enterprises and public institutions that discharge industrial waste gas or toxic and hazardous atmospheric pollutants listed in the catalog published by the ecological environment authority of the State Council in conjunction with the health administrative department of the State Council, as well as other units subject to pollutant discharge permit management as required by law, shall obtain a pollutant discharge permit.

According to the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment of the PRC on April 1, 2024 and effective from July 1, 2024, the State shall implement a classified management system for pollutant discharge permits based on factors such as the volume of pollutants generated, the quantity discharged, and the degree of environmental impact. The scope of pollutant discharge entities subject to permit management, implementation procedures, and the catalog of management categories shall be formulated by the competent ecological and environmental authority under the State Council and implemented upon approval by the State Council. An enterprise, a public institution, or any other producer or operator which is subject to the administration of permitting of pollutant discharges under the law shall apply for a pollutant discharge permit under the provisions; and may not discharge pollutants, if a pollutant discharge permit fails to be obtained.

An enterprise, a public institution, or any other producer or operator generating and discharging a marginal volume of pollutants which have a marginal impact on the environment shall submit a pollutant discharge registration form, and is not required to apply for a pollutant discharge permit.

Work Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) issued by the SCNPC on June 29, 2002, implemented on November 1, 2002 and last amended on June 10, 2021, production and operation entities shall strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels, and ensure work safety. Production and operation entities must meet the work safety requirements stipulated in this Law, relevant laws, administrative regulations, and national or industry standards; those that fail to meet the work safety requirements shall not engage in production and operation activities. The safety facilities in a new construction, renovation, and expansion projects of a business entity must be designed, constructed, and put to use simultaneously with the body of the project. Mining and metal smelting construction projects, as well as construction projects for the manufacturing, storage, loading, and unloading of hazardous materials, shall be subject to safety assessment in accordance with relevant regulations of the state.

Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) last amended by the SCNPC and came into effect from April 29, 2021, the emergency management departments of the State Council and local people's governments at or above the county level are responsible for supervising and managing fire prevention work. The fire prevention design and construction of construction projects must comply with the national fire prevention technical standards for engineering construction. The employer, as well as the designing, construction, project supervision and other entities, shall be responsible for the quality of fire protection design and construction according to law.

Energy Conservation Review

According to the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) promulgated by the SCNPC on November 1, 1997, effect from January 1, 1998 and last amended on October 26, 2018, and the Measures for the Energy Conservation Examination and Carbon Emission 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, the opinion on the energy conservation examination of a fixed-asset investment project is an important basis for the construction, acceptance inspection, and operation management of the project. For an enterprise investment project, the construction employer shall, before commencing construction, obtain the energy conservation examination opinion issued by the energy conservation examination authority. The construction employer shall not commence the construction of a project that fails to undergo the energy conservation examination in accordance with the provisions of these Measures or fails to pass the energy conservation examination, and if the project has been completed, it shall not be put into production or use.

Laws and Regulations Relating to Production Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, effect from September 1, 1993 and last amended on December 29, 2018, producers and sellers shall have their own proper regulations for the management of product quality, rigorously implementing post-oriented quality regulations, quality liabilities and relevant measures for their assessment. The market regulatory authorities of the State Council are responsible for the supervision and administration of the quality of products of the whole country. All relevant departments of the State Council shall be responsible for the supervision of product quality within their own functions and duties. A supervision and inspection system based on random inspection is implemented by the state to test those products that may injure physical health or the safety of body or property, those important industrial products that have a great bearing on the national economy and those products that have been reported by consumers or relevant organizations as to be defective in quality. Producers and sellers shall not reject product quality supervision and inspection conducted in accordance with the law.

According to the Civil Code of the PRC (《中華人民共和國民法典》), promulgated by the National People's Congress of the PRC on May 28, 2020 and effective from January 1, 2021, a manufacturer shall bear tort liability if its product causes damage to others due to a defect. If a defect is found in a product after it has been put into circulation, the manufacturer and the seller shall take remedial measures in a timely manner including withdrawal from sale, alerts, and recalls. In the event of expanded damage arising from a failure to take remedial measures in a timely manner or inadequate remedial measures, the manufacturer and the seller shall also be liable for the aggravated part of the damage.

Laws and Regulations Relating to Foreign Exchange

According to the Notice on Matters Concerning the Administration of Funds Raised by Domestic Enterprises from Overseas Listings (《關於境內企業境外上市資金管理有關問題的通知》) promulgated by the PBOC and the SAFE on December 24, 2025, and became effective on April 1, 2026, funds raised by domestic enterprises from overseas listings shall, in principle, be repatriated to the PRC in a timely manner. Where such funds are retained outside the PRC for the purpose of conducting overseas direct investment, overseas securities investment, overseas lending, or other similar business activities, the enterprise shall obtain approval or filing documentation from the competent business authority prior to the completion of the overseas listing issuance or the full exercise of the over-allotment option, and shall comply with the relevant cross-border fund administration regulations.

Laws and Regulations Relating to Overseas Investment

Pursuant to the Administrative Measures for Overseas Investment (《境外投資管理辦法》) promulgated by the Ministry of Commerce of the PRC on September 6, 2014 and implemented on October 6, 2014, the Ministry of Commerce and the commerce departments of provinces shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) issued by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to confirmation management. Sensitive projects include those involving sensitive countries, regions, or industries. Non-sensitive projects directly conducted by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to recordation management.

Laws and Regulations Relating to Foreign Investment

Investment activities in China by foreign investors are principally regulated by (i) the Catalogue of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》) ("the Encouraging Catalog"), (ii) the Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) ("the Negative List"), each of which was promulgated and amended from time to time by the NDRC and the Ministry of Commerce of the PRC, and (iii) the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was adopted by the NPC on March 15, 2019, and became effective on January 1, 2020, as well as their respective implementation rules and ancillary regulations.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the NPC on March 15, 2019 and effective from January 1, 2020, the State applies the administrative system of pre-establishment national treatment plus negative list to foreign investment, encourages and directs foreign investors to invest in particular industries, fields, and regions as needed for national economic and social development. Pre-establishment national treatment refers to granting 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; the negative list refers to special administrative measures for access of foreign investment in specific fields as imposed by the State. The State accords national treatment to foreign investment outside the negative list. A foreign investor may not invest in a field which is prohibited by the foreign investment access negative list from investment. To invest in a field restricted by the foreign investment access negative list from investment, a foreign investor shall meet the investment conditions set out in the negative list. During the Track Record Period and up to the Latest

Practicable Date, our Group's principal business did not involve any prohibited or restrictive areas stipulated under the Negative List. Our Group's principal businesses belongs to the encouraged industries listed in the Encouraging Catalog, such as recycling and treatment of mechanical and batteries in Article 393, and research and production of battery cathode and precursor materials for new energy vehicles in Article 277.

The Catalogue of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》), promulgated by the NDRC and the Ministry of Commerce of the PRC on October 26, 2022, and last amended on December 15, 2025 and effective from February 1, 2026, encourages and directs foreign investors to invest in particular industries, fields, and regions as needed for national economic and social development.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)(2024年版)》), promulgated by the NDRC and the Ministry of Commerce of the PRC on September 6, 2024, and effective from November 1, 2024, uniformly set forth the ownership requirements, requirements for senior executives, and other special administrative measures for the access of foreign investment. Fields not on the Foreign Investment Access Negative List are administered under the principle of equal treatment to both domestic and foreign investment.

According to the Measures for Reporting Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the Ministry of Commerce of the PRC and the State Administration for Market Regulation on December 30, 2019, and effective from January 1, 2020, foreign investors conducting investment activities directly or indirectly within China shall report investment information to the competent commerce authorities through either the foreign investor or the foreign-invested enterprise. Foreign investors or foreign-invested enterprises shall report investment information through such methods as submitting initial reports, modification reports, deregistration reports, and annual reports.

Laws and Regulations Relating to the Import and Export Of Goods

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, and last amended on December 27, 2025 and effective from March 1, 2026, the administrative department of the State Council in charge of foreign trade shall take charge of the nationwide foreign trade. The foreign trade administrative department of the State Council may, in collaboration with any other relevant department of the State Council, formulate, adjust and publish catalogues of goods and technology restricted or forbidden from import or export. The foreign trade administrative department of the State Council may, independently or in collaboration with any other department of the State Council, make provisional decisions, upon the approval of the State Council, on restricting or forbidding the import or export of certain goods or technology that are not found in the catalog as mentioned in the preceding paragraph.

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, effective from July 1, 1987, and last amended on April 29, 2021, the Customs of the People's Republic of China serves as the state agency responsible for supervising and administering customs clearance. In accordance with relevant laws and administrative regulations, Customs oversees the means of transport, goods, luggage, postal items, and other articles entering or exiting the territory; collects customs duties and other taxes and fees; combats smuggling; and compiles customs statistics while handling other customs operations. Unless otherwise specified, the consignee or consignor of imported or exported goods may handle customs declaration and tax payment procedures either independently or by engaging a customs declaration company.

Laws and Regulations Relating to Labor Security, Social Insurance, and Housing Provident Funds

Labor Security

The Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, effect from January 1, 1995 and last amended on December 29, 2018, is one of the primary laws governing labor relations between enterprises and employees in China. It stipulates that workers are entitled to fair employment, choice of occupation, labor remuneration, leave, a safe workplace, a sanitation system, vocational skills training, social insurance and welfare, filing labor disputes and certain other rights as prescribed by law. Employers shall establish and improve labor rules and regulations according to law to ensure that workers enjoy labor rights and fulfill labor obligations.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, effective from January 1, 2008, and last amended on December 28, 2012, along with the Implementing Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated and implemented by the State Council on September 18, 2008, apply to enterprises, individual economic organizations, private non-enterprise entities, and other organizations within China that establish labor relations with workers, as well as to the execution, performance, modification, dissolution, or termination of labor contracts. The law stipulates that a written labor contract must be concluded to establish an employment relationship. Employers must strictly adhere to labor quota standards and must not force or coerce workers into working overtime. If an employer requires overtime work, it must pay overtime compensation to the employees in accordance with relevant state regulations.

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》) promulgated by the SCNPC on October 18, 2010, effective from July 1, 2011, and last amended on December 29, 2018, and the Housing Provident Fund Management Regulations (《住房公積金管理條例》) issued by the State Council on April 3, 1999, effective from April 3, 1999, and last recently amended on March 24, 2019, the State establishes a social insurance system covering basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and other forms of social insurance. This system safeguards citizens' legal rights to receive material assistance from the State and society in cases of old age, illness, work-related injuries, unemployment, or childbirth. Employers and individuals in China are required to pay social insurance premiums in accordance with the law. Employers shall apply for social insurance registration with the local social insurance agency, and independently declare and pay social insurance premiums in full and on time. Newly established entities shall register with the relevant housing provident fund management center for housing provident fund contributions and establish housing provident fund accounts for their employees.

Pursuant to the Interpretation II of the Supreme People's Court of 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)》) enacted by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people's court.

Prevention and Control of Occupational Diseases

According to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) promulgated by the SCNPC on October 27, 2001, effective from May 1, 2002, and amended on December 29, 2018, employers shall provide workers with working environments and conditions that meet national occupational health standards and hygiene requirements, and shall take measures to ensure workers receive occupational health protection.

Laws and 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》) promulgated by the SCNPC on March 16, 2007, effective from January 1, 2008, and last amended on December 29, 2018, and the Implementation Regulations 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》) promulgated by the State Council on December 6, 2007, effective from January 1, 2008, and last amended on December 6, 2024, enterprises are categorized into resident enterprises and non-resident enterprises. Generally, a uniform corporate income tax rate of 25% is levied on Chinese resident enterprises (including foreign-invested enterprises). The State provides corporate income tax incentives for key industries and projects it supports and encourages to develop. High-tech enterprises that need to be supported by the State are subject to corporate income tax at a reduced rate of 15%.

Value-Added Tax ("VAT")

According to the PRC Value-Added Tax Law (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and effective on January 1, 2026, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in Chinese mainland are subject to the Value-Added Tax (the "VAT"). Unless otherwise specified, the VAT rate is generally 13% in respect of the sale or importation of goods by taxpayers.

Laws and Regulations Relating to Intellectual Property

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, effective from March 1, 1983, and last amended on April 23, 2019, and the Implementing Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) issued by the State Council on August 3, 2002, effective from September 15, 2002, and last amended on April 29, 2014, trademarks approved for registration by the Trademark Office are registered trademarks, including commodity trademarks, service trademarks, collective trademarks, and certification trademarks. Trademark registrants enjoy exclusive rights to their trademarks, which are protected by law. A registered trademark is valid for ten years from the date of approval of registration.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) issued by the SCNPC on March 12, 1984, effective from April 1, 1985, and last amended on October 17, 2020, and the Implementing Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) issued by the State Council on December 12, 1992, effective from January 1, 1993, and last amended on December 11, 2023, patents are categorized into invention patents, utility model patents, and design patents. The term of invention patent right is twenty years, that of utility model patent right is ten years, and that of industrial design patent right is fifteen years, all of which are calculated from the date of application.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) issued by the SCNPC on September 7, 1990, effective from June 1, 1991, and last amended on November 11, 2020, works created by Chinese citizens, legal entities, or unincorporated organizations, namely original intellectual achievements in the fields of literature, art, and science that can be expressed in a tangible form, shall enjoy copyright in accordance with this law, regardless of whether they have been published. Copyright encompasses a range of personal and property rights, including the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work, the right of reproduction, and the right of distribution.

According to the Regulation on Computer Software Protection (《計算機軟件保護條例》) issued by the State Council on June 4, 1991, effective from October 1, 1991, and last amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyrights (《計算機軟件著作權登記辦法》) issued and implemented by the National Copyright Administration of the PRC on February 20, 2002, and last amended July 1, 2004, the National Copyright Administration of the PRC is in charge of the administration of software copyright registration in the whole country. The China Copyright Protection Center is responsible for the specific work of software registration, by granting registration certificates to the applicants for software copyright registration who comply with the provisions of the Regulation on Computer Software Protection (《計算機軟件保護條例》) and the Measures for the Registration of Computer Software Copyrights (《計算機軟件著作權登記辦法》), and making public announcements.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017, and effective from November 1, 2017, the Implementing Rules for National Top-level Domain Registration (《國家頂級域名註冊實施細則》) issued and implemented by the China Internet Network Information Center on June 18, 2019, and the Implementation Rules for the Registration of "Company" and "Network" Domain Names (《"公司""網絡"域名註冊實施細則》) issued and implemented by the China Internet Network Information Center on November 25, 2021, the Ministry of Industry and Information Technology of the PRC supervises and administers domain name services nationwide. Domain name registration services are generally provided on a "apply first, register first," basis, unless otherwise specified in the corresponding domain name registration implementation rules. The maximum validity period for a domain name registration shall not exceed ten years, except in cases of automatic renewal due to changes in the registration service provider.

Laws and Regulations Relating to Overseas Securities Issuance and Listing

The Securities Law of the PRC (《中華人民共和國證券法》) promulgated by the SCNPC on December 29, 1998, effective from July 1, 1999, and last amended on December 28, 2019, regulates the issuance and trading of securities, takeovers of listed companies, information disclosure, and the duties of stock exchanges, securities companies, and securities regulatory authorities. Domestic enterprises that directly or indirectly issue securities overseas or list and trade their securities overseas shall comply with the relevant regulations of the State Council.

The Trial Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the China Securities Regulatory Commission on February 17, 2023 and effective from March 31, 2023, regulates the relevant activities of direct or indirect overseas securities offering and listing by enterprises in the territory of the PRC.

According to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning 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》) issued by the China Securities Regulatory Commission, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration on February 24, 2023, and effective from March 31, 2023, If a domestic enterprise is to provide to the relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, or publicly disclose, any document or material that involves state secrets and working secrets of state agencies, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC 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 the territory of the PRC. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the PRC.

INDONESIAN LAWS

Our business in Indonesia is subject to the supervision and regulation of Indonesian government. This section summaries the most important of Indonesia laws, regulations, and regulatory documents of Indonesia that we are required to comply with.

Laws and Regulations Relating to the Business and Foreign Investment in Indonesia

Business and foreign investment in Indonesia is regulated by Law No. 25 of 2007 on Investments which then was amended by the Job Creation Law (the "**Indonesian Investment Law**"). Currently, investment activities in Indonesia are coordinated and supervised by the Ministry of Investment and Downstream/Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* — "**BKPM**") as the authorized agency in the investment field. After the implementation of the Indonesian Investment Law, the President of the Republic of Indonesia has issued the President Regulation No. 77 of 2007 which was last amended by the President Regulation No. 10 of 2021 ("**PR No. 10/2021**") regarding Investment Business Fields, which was partially amended by the Presidential Regulation No. 49 of 2021 ("**PR No. 49/2021**") and implemented further under the 2021 Investment List (as defined below). The Indonesian Investment Law states that all business sectors shall be opened to investment activities, except for (i) business activities that are declared closed for investment, or (ii) business activities that can only be carried out by the Indonesian central government. Moreover, the law states that the aforementioned open business sectors refer to the business sectors that are commercial in nature.

The Indonesian government maintains a list of business activities that are open to foreign investments, that are open but subject to certain conditions, or that are closed to foreign investments, which is known as the "Investment List." The current Investment List is set forth in PR No. 10/2021 regarding Investment Business Activities, dated February 2, 2021, as amended by PR No. 49/2021 (as amended, the "**2021 Investment List**"). The 2021 Investment List was issued to implement the Job Creation Law. Foreign investors who intend to invest in Indonesia are obligated to structure their investments in accordance with the restrictions or requirements applicable to their intended business activities under the 2021 Investment List.

In relation to the investment activities in Indonesia, business actors are required to comply with the following:

Indonesia Standard Industrial Classification (Klasifikasi Baku Lapangan Usaha di Indonesia — "KBLI")

In performing and monitoring the business sectors in Indonesia, the Indonesian Government has issued the Indonesia Standard Industrial Classification — or KBLI, which serves as a classification for the existing and regulated business lines. Currently, the applicable KBLI is as stipulated and regulated under Statistics Indonesia (Badan Pusat Statistik — "**BPS**") Regulation No. 7 of 2025 ("**KBLI 2025**"), which revoked the prior applicable KBLI that was regulated under Head of BPS Regulation No. 2 of 2020. KBLI is also used to determine such company's minimum investment value, required licensing, and also foreign shareholder restrictions. With such changes, business actors shall have to adjust with the KBLI 2025 within 6 (six) months after the enactment of BPS Regulation No. 7 of 2025.

Capital Requirement

Indonesian laws also regulate the capital requirement for companies in accordance with their sizes, i.e., micro, small, medium, or large-scale businesses. Article 26 of BKPM Regulation No. 5 of 2021 on the Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities ("**BKPM Regulation No. 5/2025**") stipulates that (every) business that is classified as a Foreign Direct Investment (*Penanaman Modal Asing*) Company shall be categorized as a large-scale business, which therefore must comply with the minimum investment value and capital requirement which shall be more than Indonesian Rupiah ("**IDR**") 10 billion for each line of business according to the KBLI codes (5 digits) and per project location, unless specified otherwise by the laws and regulations. Every new Foreign Direct Investment made subsequent to the enactment of BKPM Regulation No. 5/2021 is also required to have a minimum issued and paid-up capital of at least IDR 2.5 billion.

Mandatory Investment Report (Laporan Kegiatan Penanaman Modal — "LKPM")

In relation to investment activities that are being conducted in Indonesia, BKPM has issued a set of regulations, which stipulate the need for companies to submit LKPM to the BKPM periodically. The obligation to submit to LKPM varies, depending on the size and capitalization of the company. Pursuant to Article 364 of BKPM Regulation No. 5 of 2025 on the Guidelines and Procedures for the Supervision of Risk-Based Business Licensing, failure to comply with or fulfill the aforementioned obligations shall result in the company being subject to administrative sanctions which will be imposed in stages.

Repatriation

The Indonesian Investment Law also regulates matters regarding repatriation, in which an investor may transfer the assets they own to any party the investors desire in accordance with the laws and regulations. Pursuant to Article 8 (3) of the Indonesian Investment Law, the investors shall be granted the right to perform transfer and repatriation in foreign currencies for a number of reasons as defined within the relevant regulations.

In relation to the above, Article 8 (5) of the Indonesian Investment Law further states that the existence of this repatriation right does not reduce the Indonesian Government's authority to (a) enforce the provisions of the laws and regulations which requires the reporting of such fund transfers; (b) impose tax on investments in accordance with the provisions of the laws and regulations; (c) enforce the laws protecting the rights of creditors; and (d) enforce the law in order to avoid losses to the state.

Laws and Regulations Relating to License in Indonesia

General license

The Government Regulation No. 28 of 2025 on the Implementation of Risk-Based Business Licensing ("**GR No. 28/2025**") stipulates that businesses are required to fulfill certain general requirements for business licensing and/or risk-based business licensing in order to conduct its business in the territory of Indonesia. Under Article 206 of the GR No. 28/2025, businesses shall obtain a business identification number ("**NIB**") as a business identity and legality of the business, which remains valid as long as the company still conducts its business activities. Furthermore, Articles 130 to 134 of GR No. 28/2025 regulate the business licensing obligations i.e. NIB, standard certificate, and business license depending on the level of risk of the relevant business activity.

Industrial business license

For nickel smelting activities that are not integrated with mining activities, governance falls under the industrial regulatory framework. These activities are subject to Law No. 3 of 2014 concerning Industry ("**Industrial Law**"), as amended by the Job Creation Law. To conduct industrial activities legally, it is mandatory to obtain an Industrial Business License (Izin Usaha Industri, or IUI), effective from the date of issuance and remaining valid so long as the company conducts its industry business activities.

To maintain the operational licenses, companies must fulfill certain reporting obligations via the National Industry Information System (Sistem Informasi Industri Nasional, or SIINAS) as required by Ministry of Industry Regulation Number 13 of 2025 (previously was regulated under Ministry of Industry Regulation Number 2 of 2019). This entails submitting quarterly reports on industrial activity and further complemented by the LKPM through the Online Single Submission (OSS) system. Reports must consistently be lodged both before and after the company initiates commercial production.

Building License

In compliance with Indonesian regulatory statutes, building proprietors are obligated to procure Building Approval, known locally as *Persetujuan Bangunan Gedung* or PBG, prior to the initiation of any construction-related activities. These activities encompass new construction, modifications, expansions, reductions, and maintenance of a structure in adherence to determined technical standards. Subsequent to the completion of construction works, occupancy or operational use of the building is contingent upon obtaining a Certificate of Proper Building Functioning ("**Sertifikat Laik Fungsi**" or "**SLF**") from the Technical Agency. Periodic renewal of the SLF is mandated, occurring every 20 years for private and terraced residential dwellings, and every 5 years for other building categories.

Environmental license

Article 40 (1) of Law No. 32 of 2009 on Environmental Protection and Management as partially amended by the Job Creation Law (as amended, the "**Indonesian Environmental Law**"), stipulates that an environmental license is preliminary required for a company to obtain a business license. In general, the environmental license under the law of Indonesia is divided into three categories: (i) Environmental Impact Assessment (analisis mengenai dampak lingkungan or "**AMDAL**"); (ii) Environmental Management Efforts and Environmental Monitoring Efforts (Upaya Pengelolaan Lingkungan-Upaya Pemantauan Lingkungan or "**UKL-UPL**"); or (iii) the Statement of Capability for Environmental Management and Monitoring (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup or "**SPPL**"), depending on the environmental risk of each activity and/or business.

Based on Article 22 of Indonesian Environmental Law, should an activity and/or business be deemed as having significant impact on the environment, the relevant activity and/or business is mandated to obtain AMDAL. In addition, pursuant to Article 34 of Indonesian Environmental Law, every activity and/or business that does not have a significant impact on the environment and is not included in the mandatory AMDAL criteria must have UKL-UPL. Moreover, the activity and/or business that does not have a significant impact on the environment and is not included in the mandatory UKL-UPL criteria must have an SPPL.

Laws and Regulations Relating to Land Ownership

In Indonesia, the framework of land ownership is delineated by Law No. 5 of 1960 on Basic Agrarian Provisions ("**Indonesian Agrarian Law**"), which has been expanded by the Job Creation Law and further defined by Government Regulation No. 18 of 2021 ("**GR 18/2021**"). GR 18/2021 elaborates on rights to manage the land, structures in the airspace and subsurface, and recognizes electronic documentation associated with land transactions.

The principal land rights accessible to companies in Indonesia are identified as follows:

(a) Right to Build (Hak Guna Bangunan or HGB), which permits the construction and ownership of buildings on the land. Eligible recipients include Indonesian citizens and legal entities incorporated and based in Indonesia. HGB can be obtained over state land, Right of Management land, and Right to Own land. The initial duration of HGB is up to 30 years, extendable by another 20 years, and renewable thereafter for up to 30 years. The process of extension or renewal is subject to specific procedural timelines.

(b) Right to Cultivate (Hak Guna Usaha or HGU), which is granted to Indonesian citizens and legal entities, this right allows for the cultivation of state land and Right of Management land, including other agricultural-related activities. The term is set for a specified period.

(c) Right to Use (Hak Pakai), which is segmented into two types based on the duration of the grant:

(d) *Fixed-term Right to Use*: Available to various entities, including foreign residents and legal entities in Indonesia, for utilization on state land, Right to Own land, and Right of Management land. Duration extends to 30 years with an option for a 20-year extension and a 30-year renewal.

(e) *Indefinite-term Right to Use*: Exclusive to government bodies, religious and social institutions, and foreign representatives, specified for state land and Right of Management (*hak pengelolaan*) land.

Holders of these titles will receive land certificates as evidence of ownership. In case of transfer of land titles, it is done through a deed of transfer made before the land deed officer ("**PPAT**"). Following the signing of the land transfer deed (and after completion of certain actions as may be required), the PPAT, will submit an application to the relevant National Land Agency ("**BPN**") office where the property is located, to register the name of the new owner in the land book at the BPN for BPN being able to issue the land certificates.

Laws and Regulations Relating to Employment and Employee Insurance

Employment

Law No. 13 of 2003 as partially amended by the Job Creation Law (as amended, the "**Employment Law**") governs employment related issues. Based on Article 42 of the Employment Law in conjunction with Article 6 of Government Regulation No. 34 of 2021 regarding the Recruitment of Foreign Workers ("**GR No. 34/2021**"), the employment of foreign workers necessitates a Foreign Workers Recruitment Plan (*Rencana Penggunaan Tenaga Kerja Asing* or RPTKA) validated by the Ministry of Manpower. After obtaining the RPTKA, pursuant to Article 27 of GR No. 34/2021, the employer is required to obtain stay permits for their foreign workers residing in Indonesia, namely Limited Stay Permit (*Izin Tinggal Terbatas* or ITAS), which is further regulated by the Minister of Law and Human Rights Regulations No. 22 of 2023 on Visa and Stay Permit. GR No. 34/2021 further stipulates additional requirements whereby failure to comply shall result in the company being subject to administrative sanctions.

In addition, Law No. 7 of 1981 on the Mandatory Manpower Report in a Company (the "***Manpower Report Law***") states that every company in Indonesia must submit an annual report regarding its manpower (known as *Wajib Lapor Ketenagakerjaan di Perusahaan* or "**WLKP**") to the relevant authority. The consequences for not complying with the obligation to report WLKP pursuant to Article 10 of the Manpower Report Law include: (a) fine up to the maximum amount of IDR 1,000,000 or (b) detention for up to 3 (three) months if the employer has failed to comply with its obligations for the second time or more.

Pursuant to Article 108 of Employment Law, a company that employs at least 10 (ten) employees must have company regulations regulating: (a) the rights and obligations of the employees and employers; (b) working terms and conditions; (c) company procedure; and (d) the validity period of the company regulations. Furthermore, pursuant to Article 111 of Employment Law, company regulations will remain to be effective for the period of 2 (two) years. The company regulations will be effective after it has been ratified by the Ministry of Manpower.

Work Safety and Health Requirements

Article 87 of the Employment Law mandates that all employers must protect every employee's right to safe working conditions, which is governed by the Law No. 1 of 1970 on Occupational Health and Safety ("**Occupational Health and Safety Law**"). The provisions set out in the Occupational Health and Safety Law cover all working places conducted in the territory of the Republic of Indonesia and stipulate the employers which would be required to implement Occupational Health and Safety Management Systems. Any violation of Article 87 of the Employment Law would result in administrative sanctions to be imposed in stages governed under Article 190 of Employment Law.

Employee Manpower and Health Insurance

Pursuant to Article 14 and 15 of Law No. 24 of 2011 on Agency of Employee Social Security (*Badan Penyelenggaraan Jaminan Sosial* or "**BPJS**") as partially amended by the Job Creation Law (as amended, "**BPJS Law**"), Indonesian employers are obliged to register themselves and their workers for BPJS. Pursuant to Article 14 of the BPJS Law, domestic and foreign employees who work for a minimum of 6 (six) months in Indonesian territory are obliged to obtain BPJS, which is registered by employers. Pursuant to Article 6 of BPJS Regulation No. 6 of 2018 on Health Insurance Program Participation Administration as recently amended by BPJS Regulation No. 5 of 2020 on Health Insurance Program Participation Administration ("**BPJS Regulation No. 6/2018**"), everyone is obliged to participate and contribute to the health insurance program.

According to Article 19 of BPJS Law, the employer is also obliged to contribute to the BPJS of its employees on a monthly basis. The contribution shall be collected from both the employer and the employee.

FINAL RULE ON U.S. OUTBOUND INVESTMENT

On October 28, 2024, the U.S. Department of the Treasury, or Treasury, issued a final rule on the U.S. outbound investment security program, or the Outbound Investment Rule, implementing Executive Order 14105, which became effective on January 2, 2025. The Outbound Investment Rule prohibits or requires notification of Treasury of certain types of outbound investments and transactions by U.S. persons with entities located in or subject to the jurisdiction of China (including Hong Kong and Macau), as well as entities owned or controlled by them, which are engaged in certain specified activities involving sensitive technology, referred to as "covered activity. "The sensitive technology for such "covered activity" are advanced semiconductors and microelectronics, quantum information technologies, and specific areas and uses of artificial intelligence. The Outbound Investment Rule's notification and prohibition requirements also apply to entities, regardless of location, that hold certain management and interests in such entities, collectively defined as "Covered Foreign Persons."

On December 18, 2025, President Trump signed the Comprehensive Outbound Investment National Security Act of 2025, the COINS Act, into law. The COINS Act codifies and expands the scope of the existing outbound investment program framework, and directs Treasury to issue implementing regulations within 450 days (by mid-March 2027). The current Outbound Investment Rule remains in effect during the interim.

Given our business does not involve sensitive technology under the Outbound Investment Rule that would result in our engagement in "covered activity". We also do not hold an interest in companies that engage in such "covered activities." Accordingly, after consulting with our U.S. counsel as to application of the Outbound Investment Rule, we believe that we are not a Covered Foreign Person. Investors, including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their own legal counsel regarding the applicability of the Outbound Investment Rule to the [**REDACTED**] and any potential obligations they may have thereunder.