REGULATORY OVERVIEW

The PRC regulations that have a significant impact on our business operations are set out below:

REGULATORY DOCUMENTS AND POLICIES RELATING TO THE INDUSTRIAL SECTOR

The Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》), approved and published in March 2026, clearly identified "accelerating the development of a new generation of intelligent manufacturing" as the core task in building a strong manufacturing country. It stipulated adherence to the direction of intelligent, green and integrated development, advanced the deep integration of the real economy and the digital economy, designated industrial automation, industrial robots, intelligent control equipment and other fields as core tracks for advanced manufacturing, and aims to establish a modern industrial system supported by intelligent equipment.

The Guidelines on Establishment of National Standards Systems for Intelligent Manufacturing (2024) (《國家智能製造標準體系建設指南(2024年版)》) was issued by the Ministry of Industry and Information Technology (the "MIIT") and the Standardization Administration of China in April 2025. The guidelines call for the unwavering implementation of the strategies for building China into a manufacturing and cyber power, the strengthening of standards as a foundation and guide, and the coordinated advancement of both domestic and international standardization efforts. The guidelines also emphasize the continuous improvement of top-level design for intelligent manufacturing standards, supporting the development of a modern industrial system with high-quality intelligent manufacturing standards, accelerating the development of new quality productive forces, promoting high-quality and new-type industrialization, and driving the transformation and upgrading of the manufacturing sector towards high-end, intelligent, and sustainable development.

The Implementation Measures for Standardized Management of the Industrial Robotics Industry (《工業機器人行業規範管理實施辦法》) (the "Measures for Standardized Management" (《規範辦法》)) was issued by MIIT in July 2017 and came into effect in August 2017. The latest revised version of the Measures for Standardized Management took effect on August 1, 2024. According to the Measures for Standardized Management, the MIIT adopts announcement-based management for industrial robot enterprises that meet the Standard Conditions of the Industrial Robotics Industry (《工業機器人行業規範條件》) (the "Standard Conditions" (《規範條件》)), which was issued by the MIIT in December 2016, with the latest revised version taking effect in August 2024. Enterprises may voluntarily apply. The MIIT reviews the application materials submitted by enterprises who apply for inclusion in the announcement, publicly discloses and officially publishes a list of industrial robot enterprises that meet the Standard Conditions, conducts supervision and inspections of these enterprises, and makes adjustments to or revoke announcements as necessary. The Standard Conditions specifies requirements across several key areas, including basic requirements, technological capabilities and production conditions, quality requirements, personnel competence, sales and after-sales service, safety management, social responsibility, and regulatory compliance.

The Guiding Opinions on the Innovative Development of Humanoid Robots (《人形機器人創新發展指導意見》) was issued by the MIIT in October 2023. This document calls for promoting high-quality development of the humanoid robotics industry, fostering new quality productive forces, and enabling high-level support for new industrialization. It also aims to substantially enhance technological innovation capabilities in humanoid robotics and to establish a secure and reliable industrial and supply chain system by 2027 as key development goals.

The 14th Five-Year Plan for the Development of the Robotics Industry (《"十四五"機器人產業發展規劃》) was issued in December 2021 by the MIIT, the National Development and Reform Commission (the "NDRC"), the Ministry of Science and Technology, the Ministry of Public Security, the Ministry of Civil Affairs, the Ministry of Housing and Urban-Rural Development, the Ministry of Agriculture and Rural Affairs, the National Health Commission, the Ministry of

Emergency Management, the People's Bank of China, the State Administration for Market Regulation (the "SAMR"), the former China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission (the "CSRC"), the State Administration of Science, Technology and Industry for National Defense, and the National Mine Safety Administration. The plan clearly sets out the goal of accelerating the high-quality development of the robotics industry. It envisions that by 2025, China will become a global hub for technological innovation in robotics, a center for high-end manufacturing, and a leader in integrated applications; and by 2035, China's overall strength in the robotics industry is expected to reach a globally leading level, with robotics becoming an integral part of economic development, daily life, and social governance.

The 14th Five-Year Plan for the Development of Intelligent Manufacturing (《"十四五"智能製造發展規劃》) was issued in December 2021 by the MIIT, the NDRC, the Ministry of Education, the Ministry of Science and Technology, the Ministry of Finance (the "MOF"), the Ministry of Human Resources and Social Security, the SAMR, and the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC"). The plan calls for the vigorous development of intelligent manufacturing equipment and the strengthening of collaborative innovation among industry, academia, and research institutes to address weaknesses and gaps in key areas such as sensing, control, decision-making, and execution, with the aim of achieving breakthroughs in critical "bottleneck" components and devices.

The Development Plan for the New Energy Vehicle Industry (2021–2035) (《新能源汽車產業發展規劃(2021–2035年)》), which became effective on October 20, 2020, proposes the development vision of significantly enhanced market competitiveness of China's new energy vehicles, and major breakthroughs in key technologies, including power batteries, drive motors and vehicle operating systems, and comprehensive improvement in safety levels by 2025; the average power consumption of new pure electric passenger vehicles decreasing to 12.0 kWh per 100 km and the sales of new energy vehicles accounting for approximately 20% of the total sales of new vehicles, commercialization of highly autonomous vehicles in limited areas and specific scenarios and significant improvement in the convenience of charging and battery-swapping services.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law") was revised by the Standing Committee of the National People's Congress of the PRC (the "SCNPC") on October 17, 2020 and came into effect on June 1, 2021. According to the Patent Law, when the invention or utility model patent is granted, unless otherwise stipulated in the Patent Law, without the approval of the patent owner, no entity or person shall implement the relevant patent, that is, manufacture, use, offer to sell, sell or import the patented products for business purposes, or use the patented method, or use, offer to sell, sell or import the products directly obtained through the patented method. Upon the grant of a design patent, no entity or person shall, without the approval of the patent owner, implement the relevant patent, that is, manufacture, offer to sell, sell or import the design patented products for business purposes. Implementing the patent without the approval of the patent owner constitutes an infringement of patent rights. Any dispute in connection with such issues shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the patent owner or the relevant stakeholders may file a lawsuit in the people's court or turn to the patent administration authorities for handling. The amount of compensation for patent infringement shall be determined based on either the actual losses suffered by the patent owner due to the infringement or the profits obtained by the infringer therefrom. Where it is difficult to determine the losses of the patent owner or the gains derived by the infringer, the compensation amount shall be determined reasonably with reference to a multiple of the royalties of such patent. For willful infringement of patent rights under serious circumstances, the amount of compensation may be determined at not less than one time and not more than five times the amount calculated using the above methods.

Pursuant to the Rules for Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was amended by the State Council on December 11, 2023 and became effective on January 20, 2024, where the entity to which a patent right is granted does not agree with the inventor or the designer on, or does not specify in its legitimately enacted company rules the way and the amount of reward, the entity shall reward the inventor or designer within three months from the date of the announcement of the patent right grant. The minimum reward for an invention patent shall not be less than RMB4,000; and the minimum reward for a utility model or design patent shall not be less than RMB1,500.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "Trademark Law") revised by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, the registered trademark has a validity period of 10 years starting from the registration date. The trademark registrant enjoys the exclusive right to use the trademark. Any dispute in connection with activities that infringe the registered trademark set out in Article 57 of the Trademark Law shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the trademark registrant or the relevant stakeholders may file lawsuits in the people's court or turn to the administrative department for industry and commerce for handling. The amount of compensation for trademark infringement shall be determined based on the actual losses suffered by the trademark owner due to the infringement. Where the actual losses are difficult to determine, the amount may be determined based on the profits obtained by the infringer from the infringement. Where it is difficult to determine the losses of the trademark owner or the profits derived by the infringer, the compensation shall be determined reasonably with reference to a multiple of the royalties of such trademark. For malicious infringement of the exclusive trademark right under serious circumstances, the amount of compensation may be determined at not less than one time and not more than five times the amount calculated using the above methods. The compensation shall also cover the reasonable expenses incurred by the trademark owner in stopping the infringement.

Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, Internet activities, products disseminated over the Internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC (中華人民共和國國家版權局) (the "NCA") on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the NCA is mainly responsible for the registration and management of software copyright in China; the Copyright Protection Center of China (中國版權保護中心) (the "CPCC") is recognised as the software registration organisation. The CPCC shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulation on Protection of Computer Software (《計算機軟件保護條例》).

Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT, on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) most recently amended on December 29, 2018 by the SCNPC, sellers shall be responsible for the repair, replacement or return of the product sold if: (1) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (2) the product sold does not conform to the applied product standard as indicated on the product or its packaging; or (3) the product sold does not conform to the quality indicated by such means as product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

According to the Civil Code, if products are identified as defective after they have been put into circulation, manufacturers or sellers shall take remedial measures such as issuing warnings, alerts, public notices and recalls of products in a timely manner. In the event of damage arising from a defective product or the failure to take timely remedial actions, the infringed party may seek compensation from either the manufacturer or the seller of such product. If the defect is caused by the seller, the manufacturer shall be entitled to seek reimbursement from the seller upon compensation of the victim. If the product was produced or sold with known defects, causing deaths or severe adverse health issues, the infringed party has the right to claim punitive damages in addition to compensatory damages.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

The Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the "Work Safety Law") was promulgated by the SCNPC on June 29, 2002 and most recently revised on June 10, 2021. Under the Work Safety Law, China enforces a liability and accountability mechanism for production safety accidents. Entities engaged in production and business operations must comply with national or industry work safety standards established in accordance with the law, and provide working conditions that meet the requirements of applicable laws, administrative regulations, and national or industry standards. Entities engaged in production and business operations are required to post prominent safety warning signs at workplaces and on facilities or equipment that involve significant hazards. The design, manufacturing, installation, use, inspection, maintenance, modification, and decommissioning of safety equipment must comply with national or industry standards.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) amended by the SCNPC and came into effect on December 29, 2018, the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for the Acceptance Examination of Environmental Protection Facilities 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 and came into effect on November 20, 2017, enterprises planning to carry out construction projects shall provide environmental impact reports, environmental impact statements and environmental impact registration forms relating to such projects. The environmental impact reports and environmental impact statements must be approved by the competent environmental protection authority prior to the commencement of any construction work, and the environmental impact registration forms must be filed with the said authority. Unless

otherwise provided by laws and regulations, enterprises that are required to submit an environmental impact report or an environmental impact statement shall be solely responsible for the examination and acceptance of the environmental protection facilities upon the completion of the construction project. Construction projects shall not be officially put into production or use until their associated environmental protection facilities have passed acceptance inspections. The relevant regulatory authorities have the power to carry out random inspections and supervise the implementation of these facilities.

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment and came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. Pollutant discharging entities subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

According to the Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation) (《固定污染源排污登記工作指南(試行)》) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

LAWS AND REGULATIONS RELATING TO FIRE PREVENTION

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), or the Fire Prevention Law, promulgated by the NPC on April 29, 1998 and last amended on April 29, 2021, and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, amended on August 21, 2023 and took effect on October 30, 2023, the competent housing and urban-rural development authority has replaced fire prevention and rescue departments to monitor and administer the fire protection as-built acceptance check and filing. Upon completion of construction of a development project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. For other development projects, the developer shall complete filing formalities with the housing and urban-rural development authority following the inspection and acceptance, the housing and urban-rural development department shall conduct spot checks. Pursuant to the Fire Prevention Law, any construction project that fails to complete the as-built acceptance check on fire prevention shall be ordered by the relevant government authorities to close and shall be fined not less than RMB30,000 but not more than RMB300,000. Any construction project that fails to complete fire safety filing shall be ordered to rectify and be subject to a fine of up to RMB5,000.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) taking effect on January 1, 1995 and revised on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "Labor Contract Law") taking effect on January 1, 2008 and revised on December 28, 2012, the labor contract shall be signed when the employer establishes labor relationship with the employee. Labor contracts, divided into fixed-term labor contracts, non-fixed-term labor contracts and labor contracts which expire upon completion of agreed assignments, shall be signed in written

after negotiation and agreement. The wage shall not be less than the local minimum wage standard. The employer and the employee shall fully perform their respective obligations in accordance with the labor contract.

Social Insurance and Housing Provident Fund

Under PRC laws, rules and regulations, including the PRC Social Insurance Law (《中華人民共和國社會保險法》)(the "Social Insurance Law") promulgated by the SCNPC in October 2010, which became effective in July 2011 and amended in December 2018, the Interim Measures on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) promulgated in January 1999 and amended in March 2019, the Regulations on Work Injury Insurance (《工傷保險條例》) issued by State Council in April 2003 and amended in December 2010, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated by PRC State Council in January 1999 and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) (or referred to the "Regulations on Housing Fund") released by PRC State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds and implement certain employee benefit plans, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount. According to the PRC Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO REAL ESTATE

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by the state might be transferred or allotted to construction entities or individuals in accordance with the law.

According to the Civil Code, the creation, alteration, alienation, or extinguishment of a real property right that is required by laws to be registered becomes effective at the time when it is recorded in the register of immovable property. Real property ownership certificate is the proof of a right holder's entitlement to the real right in the immovable property.

Pursuant to the Interim Regulation on Real Property Registration (《不動產登記暫行條例》) last amended on March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) latest amended on May 9, 2024, the state implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people. Real estate registration is administered by the real estate registration authority of the local people's government at the county level or above.

LAWS AND REGULATIONS RELATING TO THE LEASING OF PROPERTY

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and taking effect on February 1, 2011, within 30 days after the execution of the lease contract, parties to the leasing of housing shall handle the registration and filing procedure of the leasing of housing at the departments in charge of

construction (real estate) of the governments in the municipality directly under the People's Governments of centrally administered municipalities, municipalities or counties where the leased housing is located. In the event that parties to the leasing of housing fail to handle the registration and filing procedure of the leasing of housing, the department in charge of construction (real estate) of the people's government in the municipality directly under the People's Governments of centrally administered municipalities, municipalities or counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

According to the Civil Code, the lessee may sublease the leased premises to a third-party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid.

LAWS AND REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION

Anti-Monopoly Law

The Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) (the "Anti-Monopoly Law") which was promulgated by the SCNPC on August 30 and was revised on June 24, 2022, applies to the monopolistic practices in domestic economic activities in China as well as the monopolistic practices outside China which have exclusion or restriction effects on domestic market competition. The monopolistic practices under the Anti-Monopoly Law include monopoly agreement reached by operators, abuse of market dominating position by operators and the concentration of operators which has an effect of eliminating or restricting competition. The anti-monopoly enforcement agencies of the State Council may, according to work requirements, delegate relevant anti-monopoly enforcement tasks to the corresponding agencies of the people's governments of provinces, autonomous regions and centrally- administered municipalities pursuant to the provisions of Anti-Monopoly Law. Operators who violate the Anti-Monopoly Law may be ordered by the enforcement agencies to stop the illegal act, be imposed a fine or be subject to other restrictive measures.

Anti-unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "Anti-Unfair Competition Law") which was promulgated by the SCNPC on September 2, 1993 and last amended on June 27, 2025, operators shall comply with the principle of voluntariness, equality, fairness, integrity and abide by laws and business ethics in production and business operations. Under the Anti-Unfair Competition Law, unfair competition refers to an operator who disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the Anti-Unfair Competition Law in their production and business operations. Operators who violate the Anti-Unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "Forex Regulations") which was promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 1, 2008. Pursuant to the Forex Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside the PRC unless prior approval of the SAFE or the competent local counterparts is obtained.

Pursuant to the Notice by the PBOC and the SAFE of Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises(《中國人民銀行、國家外匯管理局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 SAFE on December 24, 2025 and became effective on April 1, 2026, a domestic company shall, within 30 working days from the first trading day of the overseas listing or from the completion of the over-allotment, register the overseas listing with a bank within the provincial area or city under separate state planning where it is registered. The proceeds raised from an overseas listing shall be repatriated to the domestic account. The relevant approval or filing documents from the competent authorities shall be obtained prior to the conclusion of the overseas listing or the completion of the over-allotment if the proceeds will be retained overseas for overseas direct investment, overseas securities investment, or overseas lending.

According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary foreign exchange settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary foreign exchange settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. The discretionary exchange settlement ratio of foreign exchange receipts under the capital account of domestic entities is tentatively set as 100%. The SAFE may adjust the above proportion in due time based on international balance of payments. While voluntary settlement of foreign exchange receipts under the capital account is implemented, domestic institutions may still opt to use their foreign exchange income in accordance with the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction and purchase of residential real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the SAFE (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under their capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and in-process and post regulation.

LAWS AND REGULATIONS RELATING TO TAXATION

Income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was last amended on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which was amended on December 6, 2024, all domestic enterprises in China (including foreign-invested

enterprises) shall be subject to enterprise income tax (EIT) at the uniform tax rate of 25%, except for the high-tech enterprises provided by the State, which will be subject to enterprise income tax at the reduced rate of 15%, or the qualified small low-profit enterprises, which will enjoy the reduced EIT rate of 20%.

Enterprises that are recognized as high-tech enterprises in accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) are entitled to enjoy the preferential EIT rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise.

According to the Announcement on EIT Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》), which was promulgated by the Ministry of Finance of the PRC (the "MOF"), the State Administration of Taxation (the "SAT"), the NDRC and the MIIT on December 11, 2020 and came into effect on January 1, 2020, the qualified integrated circuit design, equipment, materials, packaging, testing and software enterprises enjoy the EIT exemption for the first two years starting from the first profit-making year of the enterprise, and a half-rate reduction of the EIT of 25% from the third to the fifth year (that is 12.5%). Key integrated circuit design enterprises and software enterprises encouraged by the State, enjoy the EIT exemption for the first five years starting from the first profit-making year, and are subject to a reduced EIT rate of 10% in subsequent years.

Value-added tax ("VAT")

The VAT Law of the PRC (《中華人民共和國增值稅法》) was promulgated by the SCNPC on November 25, 2024, which became effective on January 1, 2026. According to the VAT Law of the PRC, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT, and shall pay VAT in accordance with this Law.

According to the provisions of the "Notice on Value-Added Tax Policies for Software Products" (《關於軟件產品增值稅政策的通知》) issued by the MOF and the SAT, general VAT taxpayers that sell software products they have independently developed and produced shall be subject to a 13% VAT rate; for the portion of their actual VAT burden exceeding 3%, a policy of immediate refund upon collection shall apply.

REGULATION RELATING TO IMPORTATION AND EXPORTATION OF GOODS

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) last amended on December 27, 2025, the competent department for foreign trade under the State Council is in charge of foreign trade throughout the country. This department shall work with other relevant departments under the State Council to formulate, adjust and issue a catalogue of goods and technologies that are restricted or prohibited from import and export. The competent department for foreign trade under the State Council, or together with other relevant departments under the State Council, may, with the approval of the State Council, make temporary decisions to restrict or prohibit the import and export of specific goods and technologies not included in the aforesaid catalogue to the extent permitted by laws.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the PRC on January 3, 2023 and came into force on the same day, and the Provisions on the Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated on November 19, 2021 and came into force on January 1, 2022, starting from January 3, 2023, where a consignee or consignor of imported or exported goods or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities but is not required to obtain the filing with the foreign trade operator.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the PRC (the "PRC Company Law") was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, and the latest revision of which was implemented on July 1, 2024. Under the PRC Company Law, companies are generally classified into limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the NPC, came into effect on January 1, 2020. It serves as the basic law governing foreign-invested enterprises wholly or partially funded by foreign investors. The organization form, institutional framework and standard of conduct of foreign-invested enterprises shall also be subject to the provisions of the PRC Company Law and other laws. The PRC government will implement the management system of pre-entry national treatment and the Negative List for foreign investment and has abolished the original approval and filing administration system for the establishment and change of foreign-invested enterprises. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "Negative List") issued by the NDRC and the Ministry of Commerce of the PRC (the "MOFCOM") on September 6, 2024 with effect from November 1, 2024. The Negative List lists the special management measures for foreign investment access for the regulated industries, such as equity requirements and senior management requirements.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》), which is jointly promulgated and implemented by the MOFCOM and the SAMR on January 1, 2020.

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

On October 28, 2025, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which came into effect on January 1, 2026. The Cybersecurity Law requires the network operators to fulfill certain functions related to network security protection and to strengthen the management of network information.

On April 13, 2020, thirteen PRC governmental and regulatory authorities, including the Cyberspace Administration of China, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was last amended on December 18, 2021, and came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that, the Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, data processing activities or overseas listing of companies affect or may affect national security.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform. The Regulations on Network Data Security Management applies to network data handling activities and the supervision and administration of security thereof carried out within the territory of the People's Republic of China.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 with effect from October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall conduct filing or confirmation management depending on different circumstances of overseas investments of enterprises. Overseas investments of enterprises involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investments of enterprises under other circumstances shall be subject to filing management.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the PRC (the "Investor") carrying out overseas investments shall undergo formalities including the examination or filing for an overseas investment project (the "Project(s)"), 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.

Non-sensitive projects conducted by Investors directly, namely, non-sensitive projects involving Investors' direct contribution of assets, equity or provision of financing or guarantees, shall be subject to filing management. The aforementioned sensitive projects include projects involving a sensitive country or region or a sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018) (《境外投資敏感行業目錄(2018年版)》) promulgated by the NDRC became effective on March 1, 2018, which listed out the sensitive industries in detail.

According to the Circular on Promulgating the Administrative Provisions on Foreign Exchange of the Outbound Direct Investments of Domestic Institutions (《關於發佈境內機構境外直接投資外匯管理規定的通知》) promulgated by the SAFE on July 13, 2009 with effect from August 1, 2009 and the Circular on Issues Relating to Further Simplifying the Direct Investment-related Foreign Exchange Administration (《關於進一步簡化直接投資外匯管理有關問題的通知》) promulgated by the SAFE on February 13, 2015 with effect from June 1, 2015, which was partially repealed on December 30, 2019, Chinese enterprise that has been permitted to make outbound investments shall go through foreign exchange registration procedures for outbound direct investments at local banks where such enterprise was incorporated.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTINGS

On February 17, 2023, the CSRC released 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》) (the "Trial Measures") and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (1) any PRC enterprise limited by shares; and (2) any offshore enterprise that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three working days after its application for overseas listing is submitted. Subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed. Subsequent securities issuances and listings conducted by the issuer in other overseas markets shall be filed as initial public offering. Failure to complete the filing under the Trial Measures may subject a PRC domestic enterprise to rectification ordered by the CSRC, warning, and fine of RMB1 million to RMB10 million.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three working days after occurrence of the changes.

According to the Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to complete the filing procedure with the CSRC and report relevant information. The Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) an overseas offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years;(iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance 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》) (the "Provisions on Confidentiality"), which became effective on March 31, 2023. Pursuant to the Provisions on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same 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. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.