
REGULATORY OVERVIEW

REGULATIONS ON THE ELECTRIC POWER MARKET REGULATION

Pursuant to the Electric Power Law of the PRC (《中華人民共和國電力法》) adopted by the Standing Committee of the National People’s Congress (the “SCNPC”) on December 28, 1995 and amended on August 27, 2009, April 24, 2015 and December 29, 2018, respectively, the administration department of electric power under the State Council shall be responsible for the supervision and control of the electric power industry throughout the country. The departments concerned under the State Council shall be responsible for the supervision and control of the electric power industry within the scope of their functions and duties. Enterprises engaged in the construction and generation of power or the operation of grids shall operate independently and bear their own profits and losses in conformity with the law, and they shall subject themselves to the supervision by the electric power administration departments. Power construction projects shall conform to the power development plan as well as the state policies regarding the power industry. Centralized dispatching and level-by-level administration shall be exercised in the operation of grids.

REGULATIONS ON ENERGY

Pursuant to the Energy Law of the PRC (《中華人民共和國能源法》) promulgated by the SCNPC on November 8, 2024 and implemented on January 1, 2025, the PRC shall establish and improve the energy standard system, ensure energy security and transition to green and low-carbon development, and promote the development of new energy technologies, new industries and new forms of business. The state shall accelerate the construction of a new type of power system, strengthen the coordinated construction of power sources and grids, promote the intelligent transformation of grid infrastructure and the construction of smart microgrids, and improve grids’ capacity to accept, allocate and regulate renewable energy. Enterprises that operate oil, natural gas, electric power and other energy transmission pipeline network facilities shall improve the operational security of energy transmission pipeline networks, and guarantee the operational security of energy transmission pipeline network systems. The facilities, equipment and products connected to energy transmission pipeline networks shall meet the requirements for secure operation of pipeline network systems.

Pursuant to the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) adopted by the SCNPC on November 1, 1997 and amended on October 28, 2007, July 2, 2016 and October 26, 2018, all entities and individuals are legally obliged to conserve energy and are entitled to report against any waste of energy.

REGULATORY OVERVIEW

REGULATIONS ON PRODUCT QUALITY

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), a victim suffering from damages caused by defective products may make a claim against either the manufacturer of the product or the vendor of the product. If the defect of the product is caused by the manufacturer, the vendor may make a claim against the manufacturer after making compensations for the losses and if the defect of the product is caused by the vendor, the manufacturer may make a claim against the vendor after making compensations for the losses.

Pursuant to the provisions of the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on 22 February 1993 and amended on 8 July 2000, 27 August 2009 and 29 December 2018 respectively, all producers and sellers who engage in production and sales activities in the PRC shall establish and improve the internal product quality management system, and strictly implement position-based quality regulations, quality responsibilities and corresponding assessment measures.

REGULATIONS ON PRODUCTION SAFETY

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

Pursuant to the Regulations on Safety Production Licenses (《安全生產許可證條例》) promulgated by the State Council on January 13, 2004 and amended on July 18, 2013 and July 29, 2014, enterprise that has not obtained a safety production license shall not conduct construction activities. The validity of a safety production license is three years. If an extension to the validity period is required upon expiration of a safety production license, the enterprise shall, three months prior to the expiration, go through the extension procedures with the department that issues and administers such safety production license. If an enterprise strictly follows the relevant laws and regulations on work safety and is free of any fatal accident during the valid period of its work safety license, the work safety license, shall be approved and extended for another 3 years upon expiry by the original issuance and administration organization of safe work safety license without re-examination.

REGULATORY OVERVIEW

REGULATIONS ON THE DEVELOPMENT OF CONSTRUCTION OF PROJECTS

Land Use Rights and Property Rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) which was promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and became effective on January 1, 2020, and Provisional Regulations on Real Estate Registration (《不動產登記暫行條例》) which was promulgated by the State Council on November 24, 2014 and amended on March 24, 2019, and March 10, 2024 respectively, land owned by the State may be remised or allotted to construction units or individuals in accordance with the law. The people’s government at or above the county level shall register and put on record uses of state-owned land used by units or individuals, and issue certificates to certify the land use rights. Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), which was promulgated by the State Council on May 19, 1990 and amended on November 29, 2020, a system of assignment and transfer of the right to use state-owned land was adopted. A land user must pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term and upon the full payment of land premiums, the land user shall apply for registration and obtain the land use rights certificate that evidences the acquisition of land use rights. The land user who obtained the right to use the land may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) effective on January 1, 2021, the establishment, modification, assignment and extinguishment of real rights to immovables shall be effective upon registration pursuant to law. The State applies a uniform registration system for immovables. Registration of immovables shall be handled by the registration authority at the locality of the immovables.

NDRC Approval and Filing

According to the Administrative Regulation on Approval and Filing of Projects Invested by Enterprises (《企業投資項目核準和備案管理條例》), which was promulgated by the State Council on November 30, 2016 and became effective on February 1, 2017, and the Administrative Measures on Approval and Filing of Projects Invested by Enterprises (《企業投資項目核準和備案管理辦法》), which promulgated by the National Development and Reform Commission on March 8, 2017 and last amended on March 23, 2023 and became effective on 1 May, 2023, projects which relate to national security or involve nationwide significant productivity layout, development of strategic resources and significant public interest etc. shall be subject to administration by way of approval. Projects other than those stipulated in the preceding paragraph shall be subject to administration by way of filing.

REGULATORY OVERVIEW

Planning Permits of a Construction Project

According to the Urban and Rural Planning Law (《中華人民共和國城鄉規劃法》) of the PRC which was promulgated by the SCNPC on October 28, 2007, became effective on January 1, 2008 and was revised on April 24, 2015 and April 23, 2019, respectively, a Construction Land Planning Permit is required for the right to use the state-owned land acquired by assignment and appropriation. To build any structure, fixture, road, pipeline or other projects within a city or town planning area, the construction entity or individual shall apply to the competent department of urban and rural planning under the people’s government of the city or county, or the people’s government of the town specified by the people’s government of the province, autonomous region or municipality directly under the Central People’s Government of the PRC for a planning permit on the construction project.

Construction License

Based on the Construction Law of the PRC (《中華人民共和國建築法》) which was promulgated by the SCNPC on November 1, 1997, became effective on March 1, 1998 and was revised on April 22, 2011 and April 23, 2019, respectively, prior to the commencement of construction projects, construction units shall, in accordance with the relevant provisions of the PRC, apply to the competent construction administrative departments under the county level governments or above at the location of the construction projects for construction licenses, except for small projects below the threshold value set by the competent construction administrative department under the State Council.

Inspection and Acceptance on Construction Completion

According to the Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) which was promulgated by the State Council on January 30, 2000 and amended on October 7, 2017 and April 23, 2019, and the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), which was promulgated by the former Ministry of Construction on April 4, 2000 and revised by the Ministry of Housing and Urban-Rural Development (the “MOHURD”) on October 19, 2009, a construction project shall not be delivered for use unless it has passed the completion-based check. The construction entity should file a record to a competent construction administrative department of the people’s government at or above the county level of the place where the project is located within 15 days after the construction project passes the acceptance checks.

REGULATORY OVERVIEW

REGULATIONS ON FIRE SAFETY

The Fire Protection Law of the PRC (《中華人民共和國消防法》) was adopted on April 29, 1998 and was most recently amended on April 29, 2021. According to the Fire Protection Law and other relevant laws and regulations of the PRC, the Ministry of Emergency Management and its local counterparts at or above county level shall monitor and administer the fire protection affairs. The Fire Protection Law provides that the fire protection design or construction of a construction project must conform to national fire protection technical standards.

Pursuant to Notice of the Adjustments to the Functions, Structure and Staffing of the Ministry of Housing and Urban-Rural Development (《中共中央辦公廳、國務院辦公廳關於調整住房和城鄉建設部職責機構編製的通知》) issued by the General Office of the CPC Central Committee and the General Office of the State Council on September 13, 2018, the function of reviewing and examining fire protection designs for construction projects of the Ministry of Public Security was assigned to the MOHURD.

According to the requirement of the Fire Protection Law and Interim Provisions on the Administration of the Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which were issued on April 1, 2020 and latest amended on August 21, 2023 and came into effect on October 30, 2023, the housing and urban rural development authorities of the local government at or above the county level (the “**fire protection design review and final inspection authorities**”) shall undertake fire protection design review, fire protection final inspection and recordation and random inspection of construction projects within their respective administrative regions. For construction projects that satisfy certain criteria (the “**special construction projects**”), the construction institutions shall apply for fire protection design review and approval. For construction projects other than the foregoing (the “**other construction projects**”), the construction institutions shall provide fire protection design drawings or technical information as needed for construction when applying for a construction permit or a construction commencement report. If fire protection design drawings or technical information as needed for construction fail to be submitted, the relevant authority shall neither issue a construction permit nor approve the construction commencement report.

REGULATIONS ON ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) issued by the SCNPC on December 26, 1989 and last amended in 2014, the Law of the PRC on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》) issued by the SCNPC on October 28, 2002 and amended in 2016 and 2018, respectively, the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and amended in 2017, the List of

REGULATORY OVERVIEW

Construction Projects for Environmental Impact Assessment and Management by Category (2021 Edition) (《建設項目環境影響評價分類管理名錄(2021年版)》) issued by the Ministry of Ecology and Environment (the “MEE”) on November 30, 2020, the classified management for environmental protection in respect of construction projects shall be implemented according to the level of impact on the environment. As to a construction project for which the environmental impact report or the environmental impact statement is required to be prepared in accordance with the law, the construction entity of the construction shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the competent authority of environmental protection administration with the approval authority for approval. The construction entity shall prepare an environmental impact report, or an environmental impact form or complete an environmental impact registration form (the “**Environmental Impact Assessment Documents**”) for reporting and filing purpose. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity is prohibited from commencing construction works. Where any construction entity unlawfully starts construction without obtaining approval for its environmental impact report or the environmental impact statement, or without obtaining new approval from the original department which conducted examination and approval, it shall be ordered by the competent authority of ecological and environmental protection at country level or above to cease construction, and be fined not less than 1% but under 5% of the total investments of the related construction project and to restore the status quo ante, while the person in charge and other personnel of the construction entity who are held to be directly responsible shall be given an administrative penalty. If a construction entity fails to file a registration form of the environmental impacts in respect of its construction project in accordance with the law, it shall be ordered by the competent authority of ecological and environmental protection at above the county level to file and be fined less than RMB50,000.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

REGULATIONS ON IMPORT AND EXPORT GOODS

Pursuant to PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated on May 12, 1994 and last amended on December 27, 2025, foreign trade operators engaging in import or export of goods shall file records with the foreign trade department of the State Council or its

REGULATORY OVERVIEW

authorized agency unless otherwise stipulated by the laws, administrative regulations or the foreign trade department of the State Council, and the Customs shall not process import and export declaration and clearance formalities for foreign trade operators which have not filed records in accordance with the relevant provisions. According to the new PRC Foreign Trade Law 《中華人民共和國對外貿易法》 last amended and effective on December 27, 2025, foreign trade operators engaging in the import and export of goods or technologies are not required to file records from December 30, 2022. Under the Measures for the Record Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》), which was promulgated on June 25, 2004 and last amended on May 10, 2021, the Ministry of Commerce (the “MOFCOM”) shall be in charge of the record registration of foreign trade operators nationwide and it entrusts the eligible local foreign trade authorities to be responsible for processing the formalities of record registration of local foreign trade operators. Where there is any alteration to any of the items registered in the registration form, the foreign trade operator shall go through the formalities of altering the registration form within 30 days. In case of failure to go through the formalities of altering the registration form within the time limit, the registration form shall be invalidated automatically.

According to the PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987 and last amended on April 29, 2021, where a consignee or consignor of import or export goods goes through customs declaration procedures, it shall file for record with the customs, and in the event customs declaration business is engaged in without being filed with the customs, the customs shall impose a fine against the entity concerned. Under the Administrative Provisions of the Customs on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which was promulgated on November 19, 2021 and took effect on January 1, 2022, customs declaration entities include consignees or consignors of import or export goods that have filed for record with customs in accordance with these provisions, and consignors or consignees of import or export goods that apply for record-filing shall have obtained market entity qualifications and completed the record registration of foreign trade operators. Record-filing of customs declaration entities shall be valid permanently.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark

The PRC Trademark Law (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982, lastly amended in April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》), which was promulgated by State Council on August 3, 2002, lastly amended on April 29, 2014 and came into effect on May 1, 2014, specify the regulations of the registered trademarks and the protection of exclusive rights to use the trademarks. The Trademark Office of the State Council Administration for Industry and Commerce is responsible for the registration and

REGULATORY OVERVIEW

administration of trademarks throughout the country. A registered trademark is valid for 10 years, commencing from the date of approval of registration. Where a registered trademark needs to be used after the valid period expires, the trademark registrant shall go through the formalities for renewal within 12 months prior to the expiration. Where a trademark fails to be registered during that period, a grace period of six months may be granted. The valid period of each renewed registration is 10 years, commencing from the day immediately following the expiry of the previous valid period of the trademark. If the renewal formalities are not completed upon expiry, the registered trademark shall be cancelled.

Patent

The PRC Patent Law (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, lastly amended on October 17, 2020 and implemented on June 1, 2021, and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》), which was promulgated by State Council on June 15, 2001, lastly amended on December 11, 2023 and implemented January 20, 2024, provide for the protection of the legitimate rights and interests of patent owners. The patent administration department of the State Council is responsible for managing patent work throughout the country, accepting and reviewing patent applications in a standardized manner and granting patent rights in accordance with the law. If more than two applicants apply for a patent for the same invention, the patent will be granted to the person who files the application first. An invention or utility model for which a patent is granted shall be novel, creative and practical. The term of an invention patent is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all commencing from the date of application. Any entity or individual that implements a patent of another person shall enter into an implementation license contract with the patent owner and pay royalties to the patent owner. The licensee has no right to permit any entity or individual other than those provided in the contract to enforce the patent.

According to the Measures for the Record Filing of Patent Licensing Contracts (《專利實施許可合同備案辦法》) promulgated by the State Intellectual Property Office on June 27, 2011 and effective on August 1, 2011, the State Intellectual Property Office is responsible for the filing of patent licensing contracts nationwide. The parties shall complete the filing procedures within three months from the effective date of the patent licensing contract.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, lastly amended on November 11, 2020 and implemented on June 1, 2021, stipulates that works of Chinese citizens, legal entities or other non-legal entities, whether published or not, shall enjoy copyright in accordance with this law. The Regulations on

REGULATORY OVERVIEW

the Protection of Computer Software (《計算機軟件保護條例》), which was promulgated by the State Council on December 20, 2001, lastly amended on January 30, 2013 and implemented on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was issued by National Copyright Administration on February 20, 2002, stipulate that software developed by Chinese citizens, legal entities or other non-legal entities, whether published or not, shall enjoy copyright in accordance with the Regulations on the Protection of Computer Software. The China Copyright Protection Center is the competent authority for software registration. The copyright of software belongs to its developer. The copyright of software arises from the date of completion of software development. The copyright of software of a natural person is protected for the lifetime of the natural person and 50 years after his death, ending on December 31 of the 50th year after the death of the natural person. For software which is developed collaboratively, the copyright of that software is protected until December 31 of the 50th year after the death of the last natural person to die. The copyright of software of a legal person or other organization is protected for 50 years, ending on December 31 of the 50th year after the first publication of the software, except that if the software is not published within 50 years from the date of completion of development, it is no longer protected.

Domain name

The Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) issued on August 24, 2017 and implemented on November 1, 2017 regulates the provision of internet domain name services and the operation, maintenance, supervision and management and other related activities within the territory of the PRC. The MIIT is responsible for the supervision and administration of domain name services throughout the country. The domain name registration service is based on the principle of “first come, first serve.” The license of domain name root server operating institution, domain name registration management institution and domain name registration service institution are valid for five years. The Implementing Rules on Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) and the Procedural Rules of China Country Code Top-Level Domain Name Dispute Resolution (《國家頂級域名爭議解決程序規則》), issued by the PRC Internet Information Center on June 18, 2019 and effective on the same day, further stipulate matters relating to the registration of national top-level domain names and domain name disputes.

Pursuant to the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), which was issued by the MIIT on November 27, 2017 and came into effect on January 1, 2018, an internet access service provider shall verify the real identity information of the domain name registrant through a filing system, and internet access service

REGULATORY OVERVIEW

providers shall not provide access services for those who do not provide real identity information or provide inaccurate or incomplete identity information, except for domain names which have been filed with the filing system before the implementation of this notice.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

The Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and implemented on July 1, 2013, and the Implementation Regulations on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by State Council on September 18, 2008, regulate the establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise units and other organizations in the PRC and the employees, and the execution, performance, change or termination of labor contracts. An employer shall establish an employment relationship with an employee on the date it starts to employ the employee, and a written employment contract shall be concluded to establish an employment relationship. Employers shall pay remuneration to employees on time and in full in accordance with the provisions of the labor contract and the state regulations.

Pursuant 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 28, 2010 and amended on December 29, 2018, the Regulations on Work-Related Injury Insurance (《工傷保險條例》) promulgated by the State Council on April 27, 2003, amended on December 20, 2010 and implemented on January 1, 2011, Regulations on Unemployment Insurance (《失業保險條例》) promulgated on January 22, 1999, the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) promulgated by the prior Ministry of Labor on December 14, 1994, the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Workers promulgated by the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) on December 14, 1998, and the Interim Regulations concerning the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, employers are required to pay basic pension insurance premium, basic medical insurance premium, unemployment insurance premium, work-related injury insurance premium and maternity insurance premium for their employees in the PRC. Where an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection authority shall order it to pay or make up the shortfall within a prescribed time limit, and shall impose a daily overdue fine of 0.05% from the date of default and if the overdue payment is still not made, the relevant administrative department shall impose a fine of one to three times the amount of the overdue payment.

REGULATORY OVERVIEW

Pursuant to the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) promulgated on April 3, 1999 and lastly amended on March 24, 2019, an entity that employs employees shall, within 30 days from the date of employment, register with the housing provident fund management center and complete the formalities for the establishment or transfer of an employee’s housing provident fund account. The employer shall pay the housing provident fund on time and in full amount and shall not make overdue payment or underpayment. Where an entity fails to pay or underpays the housing provident fund within the time limit, the housing provident fund management center shall order it to pay within a time limit, and where it still fails to pay within the time limit, it may apply to the people’s court for compulsory enforcement.

REGULATIONS ON FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》), promulgated by the SAFE on March 30, 2015, amended and implemented on March 23, 2023, and the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《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》), promulgated on June 9, 2016, and amended and implemented on December 4, 2023, the discretionary settlement of foreign exchange income under the capital account refers to the system under which capital account foreign exchange income explicitly permitted to be settled at discretion (including foreign exchange capital contributions, foreign debt funds, and funds repatriated from overseas listings, etc.) may be settled at banks based on the actual operational needs of domestic entities. The proportion of discretionary settlement of foreign exchange income under the capital account for domestic entities is currently set at 100%, and the SAFE may adjust this proportion in due course in light of the balance of payments situation.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Relating to Administration of Funds Raised by Domestic Enterprises Listed Overseas (《關於境內企業境外上市資金管理有關問題的通知》), promulgated by the SAFE and the People’s Bank of China effective as of April 1, 2026, a domestic company shall complete the overseas listing registration with the local foreign exchange department at the place of its registration within 30 working days from the date of completion of its overseas offering and listing. The funds raised from the overseas listing may be remitted back to the domestic market in a timely manner in principal, and the use of such funds must be consistent with the relevant contents disclosed in the document and other public disclosure documents.

REGULATORY OVERVIEW

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law which was promulgated on December 29, 1993, effective as of July 1, 1994, and most recently revised on December 29, 2023, effective as of July 1, 2024. Under these regulations, joint stock limited companies (including foreign-invested enterprises) in the PRC may pay dividends only out of their accumulated profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, companies are required to allocate at least 10% of their accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises.

REGULATIONS ON TAXATION

Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People’s Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《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, and most recently amended on December 6, 2024 and effective on January 20 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with the law, or which are set up in accordance with the law of a foreign country (region) but are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC’s government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, and the Detailed Rules for the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》) which was promulgated by the State Council on December 25, 2025 and effective from January 1, 2026, all entities or individuals in the PRC engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are required to pay value-added tax (VAT). A tax rate of 13% shall be levied on general

REGULATORY OVERVIEW

taxpayers selling goods, processing and repair services, leasing of tangible movable assets, or importing goods, whereas the applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the MOF, the State Taxation Administration and the General Administration of Customs (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) (the “Announcement of the MOF, the State Taxation Administration (the “STA”) and the General Administration of Customs of the PRC [2019] No. 39”) announced by the MOF, the STA, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%, and the originally applicable VAT rate of 10% shall be adjusted to 9%.

REGULATIONS ON CYBERSECURITY

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and amended on October 28, 2025, requires when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively respond to network security incidents, to prevent illegal and criminal activities, and to maintain the integrity, confidentiality, and availability of network data. Any individuals and organizations shall not jeopardize cybersecurity or use the internet to engage in illegal activities that endanger national security, economic and social order or infringe upon the reputation, privacy, intellectual property rights and other legitimate rights and interests of others. Any violation of the provisions and requirements under the Cybersecurity Law of the PRC may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, suspend relevant business operation, cease business operation for rectification, or close down the website, or may revoke the relevant business permit or business license, or even criminal liabilities.

REGULATIONS ON OVERSEAS LISTING

On February 17, 2023, with the approval of the State Council, the CSRC issued 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》) and five supporting guidelines (collectively, the “Overseas Listing Regulations”), which came into effect on March 31, 2023. Pursuant to the Overseas Listing Regulations, companies in mainland China that directly or indirectly offer or list their securities in an overseas market, including a company in mainland China limited by shares

REGULATORY OVERVIEW

and an offshore company whose main business operations are in mainland China and intends to offer shares or be listed in an overseas market based on its equities, assets or similar interests in mainland China are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing. Failure to complete the filing under the Overseas Listing Regulations or conceals any material fact or falsifies any major content in its filing documents may subject the company to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, direct officers-in-charge and other direct personnel-in-charge may also be subject to administrative penalties, such as warnings and fines. The Overseas Listing Regulations also provide that a company in mainland China must file with the CSRC within three business days for its follow on offering of securities after it is listed in an overseas market.

In addition, pursuant to the Overseas Listing Regulations, enterprises in mainland China are prohibited from overseas offering and listing under any of the following circumstances, if (i) the overseas offering and listing is explicitly prohibited by PRC laws; (ii) the overseas offering and listing may constitute a threat to or endanger national security as determined by relevant PRC authorities; (iii) the domestic enterprises and their controlling shareholders and actual controllers have committed certain criminal offenses (such as corruption, bribery, embezzlement, misappropriation of property or other criminal offenses undermining the order of the socialist market economy) in the past three years; (iv) the domestic enterprises are currently under investigations in connection with suspicion of having committed criminal offenses or material violations of applicable laws and regulations and there is still no explicit conclusion; or (v) there is material ownership disputes over the shareholdings held by the controlling shareholder or the shareholder under the control of the controlling shareholder or the actual controllers.

Furthermore, on February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Administration Provisions**”). The Confidentiality and Archives Administration Provisions require, among others, that PRC domestic enterprises seeking to list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives policies, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting files or copies of important preservation value to the state and society shall be subject to corresponding procedures in accordance with relevant laws and regulations.