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## REGULATORY OVERVIEW

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The laws and regulations in mainland China that have a significant impact on our business operations are set out below:

### LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

#### *Company Law*

The PRC Company Law (《中華人民共和國公司法》) (the “**Company Law**”) was promulgated by the Standing Committee of the National People’s Congress, or the SCNPC, on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, which came into effect on July 1, 2024. Under the Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The Company Law also applies to foreign-invested enterprises. Pursuant to the Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail.

#### *Foreign Investment*

Investment activities in mainland China by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》) (the “**Encouraged Catalog**”), and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》) (the “**Negative List**”), which are promulgated and amended from time to time by the National Development and Reform Commission (the “**NDRC**”), and the Ministry of Commerce of the People’s Republic of China, or the MOFCOM, and together with the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, and its respective implementation rules and ancillary regulations.

The Foreign Investment Law was promulgated by the National People’s Congress of the PRC (the “**NPC**”), in March 2019 and came into effect on January 1, 2020, which establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the Foreign Investment Law, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the Negative List. To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (《中華人民共和國外商投資法實施條例》) (the “**Foreign Investment Implementation Regulations**”), was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment and advances a higher-level opening.

The NDRC and the MOFCOM jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”), on September 6, 2024, to replace the previous Negative List. Pursuant to the Foreign Investment Law, the Foreign Investment Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

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### LAWS AND REGULATIONS RELATING TO ROAD TRANSPORTATION OPERATION

#### *Road Transportation*

Pursuant to the Regulations on Road Transportation of the PRC (《中華人民共和國道路運輸條例》) promulgated by State Council on April 30, 2004, and last amended on July 20, 2023, and the Provisions on Administration of Road Freight Transportation and Stations (Sites) (《道路貨物運輸及站場管理規定》) issued by the Ministry of Transport on June 16, 2005, and last amended on November 10, 2023 (the “**Road Freight Provisions**”), the business operations of road freight transportation refer to commercial road freight transportation activities that provide public services to society. The road freight transportation includes general road transportation, special road freight transportation and others. Special road freight transportation refers to freight transportation using special vehicles with containers, refrigeration equipment, or tank containers, etc. The Road Freight Provisions set forth detailed requirements with respect to vehicles and drivers.

Under the Road Freight Provisions, where the competent authority of transport makes a decision of approval of administrative licensing for an application for business operations of road freight transportation that meets the statutory requirements, it shall issue a Decision on Administrative Licensing for Business Operations of Road Freight Transportation and grant the Operation License for Road Transport to the license. Where an operator uses an ordinary freight vehicle of 4,500 kilograms or less to engage in ordinary freight transportation business operations, it is not required to apply for an Operation License for Road Transport and a Road Transport Certificate. Where a business operator of road freight transportation intends to establish a subsidiary, it shall file an operation license application with the competent authority of transport of the place where the subsidiary to be established is located. If it intends to establish a branch, it shall report to the competent authority of transport of the place where the branch to be established is located for archival purposes.

#### *Transport Vehicles*

On February 29, 2000, the PRC Ministry of Transport promulgated the Regulations on the Road Management of the Running of Over-dimensional Transport Motor Vehicles (《超限運輸車輛行駛公路管理規定》), and latest amended on August 11, 2021, which stipulates that cargo vehicles running on public roads shall not carry cargo weighing more than the limits prescribed by this regulation and their dimensions shall not exceed those as set forth by the same regulation. Vehicle operators who violate this regulation may be subject to a fine of up to RMB30,000 for each violation.

### LAWS AND REGULATIONS RELATING TO CONSUMER PROTECTION

Pursuant to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the “**Law on the Protection of the Rights and Interests of Consumer**”) which was promulgated by the SCNPC on October 31, 1993 and implemented on January 1, 1994, and last revised on October 25, 2013, the operators to provide consumers with the goods they produce or sell or to provide services shall comply with the Law on the Protection of the Rights and Interests of Consumer. Operators shall bear civil liability under the following circumstances: (i) a defect exists in a product or service; (ii) a product does not possess the functions it is supposed to possess, and no declaration thereof is made at the time of sale; (iii) the product standards indicated on a product or on the package of such product are not met; (iv) the quality condition indicated by way of product description or physical sample, etc. is not met; (v) products that have been formally declared by the state to be obsolete are produced or expired or deteriorated products are sold; (vi) the products sold are short on quantity; (vii) the contents and costs of the services are in violation of the agreement; or (viii) consumers’ requests for repair, redoing, replacement, return, making up the quantity of a product,

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refund of payment for the products or services, or claims for compensation have been deliberately delayed or unreasonably rejected. Operators who fail to fulfil the security obligations and causes harm to consumers shall bear tort liability. If an operator’s provision of goods or services violates the provisions of the Law on the Protection of the Rights and Interests of Consumer and infringes upon the legitimate rights and interests of consumers, which constitutes a crime, the operator shall be subject to criminal liability according to the law.

### LAWS AND REGULATIONS ON INTERNATIONAL FREIGHT FORWARDING AND DOMESTIC TRANSPORTATION

#### *International Freight Forwarding*

Pursuant to the Interim Measures for Filing of International Freight Forwarding Enterprises (《國際貨運代理企業備案(暫行)辦法》) which was promulgated by MOFCOM on March 2, 2005, and last amended on August 18, 2016, any international freight forwarding enterprise and its branches (the “IFFE”) that are registered with the state administrative authority of industry and commerce according to law shall complete the filing with the MOFCOM or an institution entrusted by the MOFCOM. The filing authority shall complete the filing procedures within 5 days upon receipt of application materials submitted by the IFFE and affix the filing seal on the Filing Form of International Freight Forwarding Enterprise.

#### *Non-Vessel Shipping Business*

According to the Regulations of the People’s Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例》) (the “**Regulations on International Ocean Shipping**”) promulgated by State Council on December 11, 2001 and last amended on July 20, 2023, and the Implementation Rules for the Regulations of the People’s Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例實施細則》) promulgated by the Ministry of Transport on January 20, 2003 and last amended on November 10, 2023, the “non-vessel shipping business” refers to the international ocean shipping business operations of a non-vessel shipping operator to accept the cargo of the shipper as the carrier, take the freight charges from the shipper by issuing his own bills of lading or other transport documents, ship the international ocean goods through international shipping operators and bear the responsibilities of the carrier.

To operate non-vessel shipping business within the territory, file with the competent department of transport under the people’s government of the province, autonomous region or municipality directly under the central government for record within 15 days after starting business.

### LAWS AND REGULATIONS ON CUSTOMS DECLARATION

The Customs Law of the PRC (《中華人民共和國海關法》) which was promulgated by SCNPC on January 22, 1987 and last amended on April 29, 2021, stipulates that the customs of the PRC is the national supervisory and administrative authority for entry and exit at the national borders. All inward and outward means of the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. Unless otherwise specified, all import and export goods must be declared and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities. When a customs broker accepts the entrustment of a consignee or consignor of import and

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export goods to handle customs declaration procedures in the name of the entrustor, it shall submit to the customs a power of attorney signed by the entrustor and comply with all provisions of Customs Law of the PRC applicable to the entrustor.

According to the Administrative Provisions of the Customs of the PRC 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》) issued by the General Administration of Customs of the PRC (the “GACC”) on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed.

### LAWS AND REGULATIONS ON FOREIGN EXCHANGE

According to the Notice of Issues concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the State Administration of Foreign Exchange on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing, go through the registration of overseas listing with the foreign exchange bureau at its place of registration.

### LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

#### *Labor*

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994, came into effect on 1 January 1995 and last revised on 29 December 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on 29 June 2007, revised on 28 December 2012 and came into effect on 1 July 2013, written labor contracts shall be executed between an employer and its employees if an employment relationship is established. Employers are required to truthfully inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters the employees request to know. Employers shall pay remuneration to employees on time and in full in accordance with the stipulations set forth in their labor contracts and the relevant PRC laws and regulations.

According to the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in 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)》) (the “**New Judicial Interpretation**”), which was promulgated by the PRC Supreme People’s Court on 31 July 2025 and came into effect on 1 September 2025, Article 19(1) stipulates that where an employer and an employee agree, or the employee undertakes, that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law and the employee seeks to terminate the labor contract and claim economic compensation pursuant to Article 38(3) of the PRC Labor Contract Law, the People’s Court shall support such claims in accordance with the law.

#### *Social Insurance and Housing Provident Fund*

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on 28 October 2010, came into effect on 1 July 2011 and last revised on 29 December 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was implemented on 22 January 1999 and revised on 24 March 2019, the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》), which was implemented on 1 January 1995, the Regulations on Work-Related Injury Insurance (《工傷保險條

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例)), which was implemented on 1 January 2004, amended on 20 December 2010 and came into effect on 1 January 2011, and the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on 3 April 1999 and last revised on 24 March 2019, employers in mainland China shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If an employer fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, an application may be made to a people’s court for enforcement.

### LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

#### *Patent*

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in mainland China are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws.

#### *Trademark*

The Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”), was promulgated by the SCNPC on August 23, 1982 and became effective on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark.

#### *Copyright*

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the “**Copyright Law**”), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms.

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 on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in mainland China and recognizes the China Copyright Protection Centre as the software registration organization. The China

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Copyright Protection Centre 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 and the Regulation on Computers Software Protection.

### *Domain Names*

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name registration service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

## LAWS AND REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

The Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) was promulgated by NPC on May 28, 2020 and became effective on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”) was promulgated by SCNPC on November 7, 2016 and became effective on June 1, 2017. The Cyber Security Law requires network operators shall abide by laws and administrative regulations, show respect for social moralities, follow business ethics, and act in good faith. They shall also fulfill the obligation of cybersecurity protection, accept governmental and public supervision, and undertake social responsibilities when carrying out business operation and service activities. According to the Cyber Security Law, the network operator of a critical information infrastructure shall store within the territory of the PRC personal information and important data collected and generated during its operation within the territory of the People’s Republic of China. Where such information and data have to be provided abroad for business purpose, security assessment shall be conducted pursuant to the measures developed by the CAC together with competent departments of the State Council.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly of personal information. Personal information, refers to information related to identified or identifiable natural persons and is recorded by electronic or other means but excluding the anonymized information.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not endanger national security, the public interest, or individuals’ and organizations’ lawful rights and interests.

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### LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

#### *Environment Protection*

On April 24, 2014, the SCNPC amended the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which became effective on January 1, 2015. It outlines the authorities and duties of various environmental protection regulatory agencies. The environmental protection administrative department of the State Council is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Local People’s court may formulate local environmental quality standards for projects not covered by the national environmental quality standards; for projects covered by the national environmental quality standards, local environmental quality standards which are stricter than the national environmental quality standards may be formulated.

On April 29, 2020, the SCNPC amended the Law of the People’s Republic of China 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》), which became effective on September 1, 2020. It requires that E-commerce, express delivery, food delivery, and other industries shall prioritize the adoption of reusable and easily recycled packaging, optimize the packaging of items, reduce the use of packaging, and actively recycle packaging.

#### *Fire Prevention Design and Acceptance*

On April 29, 2021, the SCNPC last amended the Fire Prevention Law of the PRC (《中華人民共和國消防法》), for special construction projects stipulated by the Ministry of Housing and Urban-Rural Development of the State Council, the construction entity shall submit the fire protection design documents to the Ministry of Housing and Urban-Rural Development for examination, while for construction projects other than those stipulated as special development projects, the construction entity shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire protection design drawings and technical materials which satisfy the construction needs. According to the Interim Regulations on Administration of Examination and Acceptance of 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》) amended by the Ministry of Housing and Urban-Rural Development of the PRC on August 21, 2023 and effective on October 30, 2023, an examination system for fire protection design and acceptance only applies to special construction projects, and for other projects, a record-filing and random inspection system would be applied.

### LAWS AND REGULATIONS RELATING TO TAXATION

#### *Income Tax*

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, promulgated by the SCNPC on March 16, 2007 and implemented on January 1, 2008 and last revised on December 29, 2018 and the Implementation Rules of the Enterprise Income Tax Law (《企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008 and revised on December 6, 2024, a resident enterprise refers to an enterprise established in accordance with the laws within the territory of the PRC, or an enterprise established under the laws of a foreign country (or region) but with its actual management institution located within the territory of PRC. Resident enterprises shall pay EIT at a rate of 25% on their income derived from both within and outside the territory of PRC. The State grants EIT incentives to industries and projects that are prioritized for support and encouragement. High-tech enterprises requiring key State support shall be levied EIT at a reduced rate of 15%.

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### *Value-Added Tax*

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, enterprises and individuals engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC shall pay value-added tax. According to the VAT Law, the VAT rates applicable to ordinary taxpayers are 13%, 9%, 6% and 0% and the VAT rate to which the simple tax computation method applies is 3%.

## LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

### *Securities Laws and Regulations*

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest revised on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the mainland China securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

### *Overseas Listings*

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Overseas Listing Trial Measures, together with several supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the “**Overseas Listing Regulations**”). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders 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 make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law 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 or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of

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listing segment, and (iv) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

### LAWS AND REGULATIONS IN THE UNITED STATES

#### Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury (“**Treasury**”) issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the “**Outbound Investment Rule**”). On January 2, 2025, a U.S. outbound investment security program (the “**OISP**”), implemented by the Treasury under the Outbound Investment Rule, became effective. The OISP imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions,” and include certain acquisitions of an equity interest or contingent equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The OISP contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. On February 21, 2025, U.S. President issued a memo entitled the “America First Investment Policy” (the “**America First Memo**”), indicating that Executive Order 14105 is under review and the U.S. government will consider possible application of the Outbound Investment Rule to a wider range of technology sectors and application of restrictions to a wider range of investments, including publicly traded securities. On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 (the “**COINS Act**”), which will supersede the Outbound Investment Rule, became law. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is uncertainty regarding how the new law will be implemented. We do not believe we are a covered foreign person under the Outbound Investment Rule because we do not engage in the specified covered activities thereunder. However, our position is not binding on the Treasury and there is no assurance that they will take the same view.