This section sets forth a summary of the most significant rules and regulations applicable to our operations in the PRC, and in certain overseas jurisdictions that are material to our business operations. This summary does not purport to be a complete description of all the laws and regulations which are applicable to our business and operations. [**REDACTED**] *should note that the following summary is based on relevant laws and regulations in force as of the date of this document, which may be subject to change.*

REGULATIONS RELATING TO FOREIGN INVESTMENT

PRC

The establishment, operation and management of our PRC companies are governed by the Company Law of the PRC (《中華人民共和國公司法》), as most recently amended on December 29, 2023, which applies to all PRC companies including foreign-invested companies, except where foreign-investment related laws provide otherwise.

On March 15, 2019, the National People's Congress (the "**NPC**") approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the "**foreign investors**") shall not invest in any sector prohibited as specified in the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of treating domestic investments and foreign investments equally. It, together with its implementation rules, also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system where foreign investors or foreign-funded enterprises shall submit investment information to the competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

The Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. Beginning January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated on September 6, 2024 and came into effect on November 1, 2024, our business does not fall under such categories where foreign investment is restricted or prohibited.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

PRC

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on May 12, 1994 and last amended on December 27, 2025, the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated on January 3, 2023, and the Provisions on the Administration of 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》) published by the General Administration of Customs of the PRC on November 19, 2021 and effective as of January 1, 2022, a consignee or consignor of imported or exported goods and customs declaration enterprises that apply for filing shall obtain market entity qualifications and is not required to complete the record-filing registration procedures for foreign trade operators.

In 2018, the U.S. government imposed Section 301 tariffs on a list of Chinese goods that included solar inverters. The tariffs started at 10%, but was raised to 25% in 2019. On August 24, 2017, the United States Trade Representative (the "**USTR**") announced an investigation into "whether acts, policies, and practices of the Government of China related to technology transfer, intellectual property (IP), and innovation are actionable" under authorities delegated to the President in Sections 301 through 310 of the Trade Act of 1974 (often referred to as "**Section 301**"). On June 20, 2018, USTR issued a list of products covered by the first round of tariffs (List 1), with an annual trade value of approximately US$34 billion. USTR issued a second list of products (List 2), covering approximately US$16 billion worth of imports, on August 16, 2018. On September 21, 2018, USTR issued List 3, which set the additional tariffs at 10% with projected increases to 25% on January 1, 2019. The United States delayed the projected tariff increases to 25% until May 10, 2019. In May 2019, the USTR proposed to modify further the US$250 billion action against China. It further expanded the action on August 17, 2019 to cover an additional US$300 billion in annual trade value (List 4).

In April 2025, the United States announced broad tariffs on imports from all countries, comprising a 10% so-called "baseline" tariff on all countries, varying so-called "reciprocal" tariffs on certain trade partners, and a so-called "fentanyl-related" tariff of 20% on goods from China. As of early April 2025, the U.S. had imposed tariffs of 145% on most imports from China, and China responded with tariffs of 125% on most goods from the United States. On May 12, 2025, following bilateral negotiations, China and the United States announced a 90-day suspension for most of these higher tariffs levied on each other's goods, during which the U.S. will continue a 30% tariff on Chinese imports and China will keep a 10% tariff on U.S. goods. This suspension was further extended by the two countries for an additional 90 days until November 10, 2025. Following the two countries' trade negotiations on October 30, 2025, the U.S. agreed to suspend for one year a 24% reciprocal tariff on Chinese products and reduce the fentanyl-related tariff on Chinese products by 10%. In addition, China agreed to adjust its counter measures related to the above U.S. tariffs, and the two countries agreed to continue extending certain tariff exemptions. On February 20, 2026, the U.S. Supreme Court held that the International Emergency Economic Power Act does not authorize the President to impose tariffs, including the reciprocal and fentanyl-related tariffs. Effective from February 24, 2026, the U.S. customs authority will cease to collect these tariffs. Meanwhile, President Trump issued a proclamation to impose a temporary import surcharge of 10% on all imports to the U.S. effective from February 24, 2026 for a period of 150 days.

REGULATIONS RELATING TO OUR INDUSTRY AND PRODUCTS

Industrial Policies

PRC

According to the Energy Law of the People's Republic of China (《中華人民共和國能源法》) promulgated by the SCNPC on November 8, 2024 and brought into effect on January 1, 2025, China promotes the improvement of energy utilization efficiency, encourages the development of distributed energy and integrated energy services such as multi-energy complementary and multi-energy combined supply, actively promotes market-based energy conservation services such as contractual energy management, and raises the level of cleaner, lower-carbon, more efficient and smarter end-use energy consumption.

According to the Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (《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》), promulgated by the NPC on March 13, 2026 and effective on the same day, China shall accelerate the development of strategic emerging industries including next-generation information technology, new energy, new materials, intelligent connected new energy vehicles, robots, biomedicine, high-end equipment, aerospace and other such industries. China shall develop distinctive and complementary industrial clusters of strategic emerging industries in light of local conditions, and strive to foster a number of emerging pillar industries with strong growth potential, high technological content and extensive penetration across sectors.

According to the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》) promulgated by the State Council on October 24, 2021 and came into effect on the same day, it is proposed to actively develop the "new energy + energy storage" model, promote coordination of power source-grid-load-storage, use multiple energy sources to supplement each other, and support the deployment of appropriate ESS for distributed new energy sources. It also proposed to speed up the demonstration and application of new types of energy storage.

United States

Product Safety, Warranties and Consumer Protection

All products imported, marketed or sold in the United States shall comply with applicable federal, state and local laws governing product safety, labeling, advertising, warranties and consumer protection, including for energy storage system products and PV inverters. At the federal level, applicable requirements include the Consumer Product Safety Act, regulations administered by the U.S. Consumer Product Safety Commission (the "**CPSC**"), the Federal Trade Commission Act and related FTC rules, the Magnuson-Moss Warranty Act and the Fair Packaging and Labeling Act. Under certain circumstances, the CPSC could require the seller to repair, replace or refund the purchase price of its products. At the state level, applicable consumer protection requirements include, in California, Proposition 65 (Cal. Health & Safety Code §25249.6) and the California Energy Code.

Product Certification and Compliance

Throughout the world, electrical appliances are subject to various mandatory and voluntary standards, including requirements in some jurisdictions, including the United States, that products be listed by Underwriters' Laboratories, Inc. ("**UL**") or other similar recognized laboratories. In the United States, key national standards include UL 1741, the primary safety standard for inverters and interconnection equipment and UL 9540, which governs the system-level safety standard for energy storage systems and requires rigorous large-scale fire propagation testing. For grid interconnection, products must comply with IEEE 1547, which mandates advanced "smart inverter" functions to support grid stability. In addition, different states in the U.S. have specific requirements.

Environment and Transportation

Products containing lithium-ion batteries and other regulated components are subject to federal and state transportation, environmental and waste-management requirements. At the federal level, lithium batteries are regulated as hazardous materials for transportation under the U.S. Department of Transportation's Hazardous Materials Regulations, 49 C.F.R. Parts 171-180. Air shipments are also subject to the International Air Transport Association Dangerous Goods Regulations and the International Civil Aviation Organization Technical Instructions. In California, the Electronic Waste Recycling Act and the Hazardous Waste Control Law regulate the collection, recycling and disposal of electronic devices and hazardous materials, and Proposition 65 requires warnings for exposures to chemicals known to cause cancer or reproductive harm.

Employment, Labor and Workplace

Employment and labor matters in the United States are primarily governed by applicable federal, state and local laws, including the Fair Labor Standards Act, the Occupational Safety and Health Act of 1970, and Title VII of the Civil Rights Act of 1964. In California, applicable requirements also include the California Labor Code, the California Fair Employment and Housing Act, and requirements relating to paid sick leave.

Netherlands

In June 2019, the Dutch Climate Act became effective, setting an interim target of 55% greenhouse gas emissions reduction by 2030 compared to 1990 levels, and fully carbon-neutral electricity generation by 2050. The Netherlands reached a cumulative installed PV capacity of 28.6 GW in 2024. The Dutch government operates the Sustainable Energy Transition Scheme (the "**SDE++**"), which provides subsidies encouraging companies and non-profit organizations to reduce carbon emissions by building renewable energy projects. In 2024, the Dutch government allocated EUR7 billion in grants for renewable energy projects. In addition, the Investment Subsidy Scheme (the "**ISDE**"), available through 2031, provides grants to homeowners and businesses to offset costs of solar boilers and solar panels.

Germany

Product safety in Germany is governed by the German Product Safety Act, which complements EU requirements under Regulation (EU) 2023/988. Products may only be placed on the market if they are safe under normal or reasonably foreseeable use. Authorities may adopt enforcement measures in case of non-compliance, including sales bans, recalls, withdrawals, confiscation and administrative fines or criminal sanctions. Product liability is primarily governed by the German Product Liability Act (the "**ProdHaftG**"), which establishes strict liability for defective products regardless of fault or negligence. Manufacturers, importers and distributors may be held liable for personal injury or property damage caused by defective products. The German regime is currently based on the existing EU Product Liability Directive and is expected to change following the implementation of Directive (EU) 2024/2853, which must be transposed into national law by December 9, 2026. Liability under the ProdHaftG cannot be contractually excluded or limited in advance. In addition, tort liability under §§823 et seq. BGB (German Civil Code) and contractual warranty rights may apply in parallel, creating a multi-layered product liability regime in Germany.

Regulations Relating to Product Quality and Consumers Protection

PRC

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which took effect on September 1, 1993 and was last amended on December 29, 2018, products for sale must satisfy relevant safety standards and sellers shall adopt measures to maintain the quality of products for sale. Sellers shall not mix impurities or imitations into products, or pass counterfeit goods off as genuine ones, or defective products as good ones or substandard products as standard ones. For sellers, any violation of state or industrial standards for health and safety or other requirements may result in civil liabilities and administrative penalties, such as compensation for damages, fines, confiscation of products illegally manufactured or sold and the proceeds from the sales of such products illegally manufactured or sold, and even revoking business licenses; in addition, severe violations may subject the responsible individual or enterprise to criminal liabilities. Consumers or victims who suffer injuries or property losses due to product defects may demand compensation from either the producer or the seller. Where the liability lies with the producer, the seller shall, after settling the claim, have the right to recover such claim from the producer, and vice versa.

According to the Consumers Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法》), which took effect on January 1, 1994 and was last amended on October 25, 2013, business operators should guarantee that the products and services they provide satisfy the requirements for personal or property safety, and provide consumers with authentic information about the quality, function, usage and term of validity of the products or services. Where business operators have discovered any defect in the goods or services they provided, which may endanger personal or property safety, they shall forthwith report to relevant administrative authorities and notify consumers, and adopt measures such as suspension of selling, alerts, recalls, decontamination, destruction, and suspension of manufacturing or services. In the case where recall measures are adopted, the business operator shall bear necessary expenses incurred by consumers resulting from the recall of goods. Violations of the Consumers Rights and Interests Protection Law may result in a warning, the confiscation of illegal income, and the imposition of fines. In addition, the relevant business operator will be ordered to suspend its operations, have its business license revoked, and have criminal liability incurred in serious cases.

Regulations Relating to Work Safety

PRC

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002 and last amended and brought into effect on September 1, 2021, business entities shall strengthen their work safety management, enhance work safety conditions, promote work safety standardization and improve work safety levels. Entities which cannot meet the safety conditions prescribed by laws, regulations and national or industry standards shall not engage in production or other business activities. To ensure work safety rules are observed in the production process, business entities shall establish and improve their work safety responsibility systems and work safety policies which specify responsible person(s) at each position, the scope of duties and evaluation criteria. Business entities shall provide their employees with labor protection equipment and work safety training. Where the primary person-in-charge of a business entity fails to perform his or her duties in respect of work safety, he or she would be subject to legal liabilities, depending on the seriousness of the relevant work safety accidents.

Vietnam

Pursuant to the Law on Occupational Safety and Health No. 84/2015/QH13 《越南職業安全衛生法》, adopted by the National Assembly on June 25, 2015 and effective from July 1, 2016, employers are responsible for ensuring safe and hygienic working conditions for employees. Such obligations include, among others, implementing occupational safety measures, identifying, assessing and controlling workplace risks, providing occupational safety and health training, organizing periodic health examinations, and complying with other occupational safety and hygiene requirements as prescribed by applicable law.

Regulations Relating to Environmental Protection

PRC

Environmental Protection

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) which was promulgated on December 26, 1989 and was last amended on April 24, 2014, the environmental protection administrative department of the State Council is responsible for the overall supervision and administration of the environment across the country and for setting the national environmental quality standards, pollutant discharge standards and a system for the supervision of the environment in China. Provincial governments may develop local environment quality standards if no provisions have been made in the national standards with respect to pollutant discharge. A provincial government may establish any local environmental quality standards stricter than the national standards in respect of any environmental items and such local environmental quality standards shall be filed with the environmental protection administrative department of the State Council for record.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated on October 28, 2002 and last amended and brought into effect on December 29, 2018, and the Regulations on the Administration of Construction Project Environment (《建設項目環境保護管理條例》) which was promulgated by the State Council and became effective on November 29, 1998 and was last amended on July 16, 2017, the State implements classified administration over the assessment of the environmental impacts of construction projects according to the estimated level of such impact on the environment. Prior to the commencement of construction, environmental impact assessment documents of the construction project shall be reviewed and approved or recorded by the competent administrative authority of environmental protection.

Pollutant Discharge Permit

According to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated on January 24, 2021 and implemented on March 1, 2021, enterprises, institutions and other producers and operators that implement the management of pollutant discharge permits in accordance with the law shall apply for pollutant discharge permits in accordance with the provisions of these regulations; no pollutant shall be discharged without obtaining a pollutant discharge permit. According to the amount of pollutants produced, discharged and the degree of impact on the environment and other factors, the pollutant discharge permit classification management is implemented for pollutant discharge units. Enterprises, institutions and other producers and operators with very small pollutant production, discharge and environmental impact procedures shall fill in the pollutant discharge registration form and do not need to apply for pollutant discharge permits.

Construction Project Environmental Protection

According to the Regulations on the Administration concerning Environmental Protection of Construction Project (《建設項目環境保護管理條例》) promulgated and implemented by the State Council on November 29, 1998 and amended on July 16, 2017, after the completion of the construction projects for which environment effect report and environment effect statement was prepared, a construction entity shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environment protection facilities, and prepare inspection and acceptance report.

According to the Interim Provisions concerning the Environmental Protection Acceptance Check on Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated and implemented by the MEP on November 20, 2017, if the construction of environmental protection facilities are not synchronized with the construction of the main construction, or pollutant discharge permits shall be necessary but has not been obtained, a construction entity shall not conduct debugging on environmental protection facilities of such construction project. No main body of the construction projects may be put into production or use until the supplementary environmental protection facilities of such projects have passed the inspection and acceptance; no facilities that have not been or passed the inspection and acceptance may be put into production or use.

Vietnam

Pursuant to the Law on Environmental Protection No. 72/2020/QH14 (《越南環境保護法》), adopted by the National Assembly of Vietnam on November 17, 2020 and effective from January 1, 2022, and Decree No. 08/2022/ND-CP (as amended from time to time), environmental protection activities in Vietnam are subject to unified state management by the Ministry of Agriculture and Environment. Investment projects are classified based on environmental risk levels and shall comply with corresponding regulatory requirements, including the preparation of an Environmental Impact Assessment ("**EIA**") report for projects with potentially significant adverse environmental impacts, the obtaining of an Environmental Permit ("**EP**") for projects generating wastewater, emissions, or hazardous waste exceeding statutory thresholds, or Environmental Registration for projects with lesser environmental impacts. Projects subject to an EIA or EP shall complete and, where applicable, conduct trial operation of environmental protection works prior to commencement of official operation. During operations, enterprises are subject to ongoing compliance obligations, including waste management in accordance with applicable regulations, periodic environmental and workplace monitoring, and the submission of environmental protection reports to competent authorities.

Regulations Relating to Fire Prevention

PRC

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), which was promulgated on April 29, 1998 and last amended on April 29, 2021, the construction entities shall apply to the administrative authority of housing and urban-rural construction for fire protection acceptance check upon completion of the construction projects that are subject to fire protection acceptance check as stipulated by the administrative authority of housing and urban-rural construction of the State Council. For other construction projects, the construction entities shall file with the administrative authority of housing and urban-rural construction after the acceptance, and the administrative authority of housing and urban-rural construction shall conduct random inspection.

Regulations Relating to Data, Cyber and Information Security

PRC

On May 28, 2020, the NPC issued the Civil Code of the PRC (《中華人民共和國民法典》), which took effect on January 1, 2021. According to the Civil Code, natural person's personal information shall be protected by law, and the processing of personal information shall be subject to the principle of legitimacy, rightfulness and necessity, with no excessive processing.

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) which was promulgated by the NPCSC on November 7, 2016 and last amended on October 28, 2025, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard cyber security in conducting business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by law and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators shall not collect personal information irrelevant to their services. In the event of any unauthorized disclosure, damage or loss of collected personal information, network operators shall take immediate remedial measures, notify the affected users and report the incidents to the relevant authorities in a timely manner.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) was released by the NPCSC on June 10, 2021 and became effective on September 1, 2021. The PRC Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security.

On December 28, 2021, the Cyberspace Administration of China and certain other PRC regulatory authorities published the Measures for Cybersecurity Review (《網絡安全審查辦法》), which became effective on February 15, 2022. Pursuant to the measures, critical information infrastructure operators that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. However, the Measures for Cybersecurity Review does not define what constitutes "affect or may affect national security," and the PRC government would have broad discretion over the interpretation of this term.

According to the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which was promulgated on September 24, 2024 and came into force on January 1, 2025, 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 service providers.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》, the "**PIPL**") was released by the NPCSC on August 20, 2021 and became effective on November 1, 2021. The PIPL stipulates the scope of personal information and the ways of processing personal information, establishes rules for processing personal information and for providing personal information to overseas recipients, and clarifies the individual's rights and the processor's obligations in the process of personal information processing. Personal information, as defined in PIPL, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding anonymized information. The PIPL applies to (i) the processing within the territory of the PRC of natural persons' personal information; or (ii) the processing outside the territory of the PRC over personal information of natural persons within the PRC, provided that such information is processed (a) for the purpose of providing products or services to domestic natural persons, (b) to analyze or assess the conduct of domestic natural persons, or (c) under any other circumstances as prescribed by laws and administrative regulations. The PIPL requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transmission, and security.

The CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》), or the Security Assessment Measures, which came into effect on September 1, 2022. The Security Assessment Measures specifies the circumstances where a cross-border data transfer is subject to security assessment. Specifically, according to Article 4 of the Security Assessment Measures, a data processor needs to apply for a security assessment of its cross-border data transfer activities in any of the following situations if one of the following thresholds is triggered: (i) it provides important data to a recipient outside of the PRC; (ii) it is a critical information infrastructure operator or it processes the personal information of more than one million individuals and provides personal information to a recipient outside of the PRC; (iii) it has exported the personal information of more than 100,000 individuals in aggregate or the sensitive personal information of more than 10,000 individuals in aggregate since January 1 of the previous year; or (iv) other circumstances subject to a security assessment as required by the CAC. The Security Assessment Measures also provides specific procedures for a security assessment, as well as important factors to be considered in conducting security assessments.

The Measures for the Standard Contract for Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) which took effect on June 1, 2023 specifies the detailed requirements for concluding and filing the standard contract of cross-border transfer of personal information, which is one of the compliance mechanism for personal information export.

The Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) were promulgated by the CAC and became effective on March 22, 2024. Compared with the previous regulatory requirements, the Provisions on Promoting and Regulating Cross-border Data Flows raise the thresholds for triggering a mandatory security assessment for cross-border data transfers. Specifically, according to Article 7, a data processor is required to apply for a security assessment for its cross-border data transfer activities under any of the following circumstances: (i) where it is a critical information infrastructure operator that provides any personal information or important data to an overseas recipient; or (ii) where it is a data processor, other than a critical information infrastructure operator, that provides any important data to an overseas recipient, or that has cumulatively provided the personal information (excluding sensitive personal information) of not less than 1 million individuals or the sensitive personal information of not less than 10,000 individuals to overseas recipients as of January 1 of the current year. Furthermore, Article 13 provides that, in the event of any inconsistency between the Provisions on Promoting and Regulating Cross-border Data Flows and the relevant provisions such as the Measures for the Security Assessment of Data Cross-border Transfer and The Measures for the Standard Contract for Cross-Border Transfer of Personal Information, the Provisions on Promoting and Regulating Cross-border Data Flows shall prevail.

The MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), effect on January 1, 2023. The Measures applies to the data processing activities in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field, such as establishing a full life-cycle data security management system, appointing data security management personnel, and conducting filings for the important data and core data processed by the data processors.

United States

Data Privacy and Cybersecurity

Data privacy and cybersecurity in the United States are governed by a variety of federal, state and applicable foreign laws and regulations involving privacy, data protection, data security, and data retention and deletion. Among these laws, the California Consumer Privacy Act (the "**CCPA**"), as amended by the California Privacy Rights Act (the "**CPRA**"), remains the most comprehensive U.S. framework, regulating the collection, use, and disclosure of personal information of California residents. Businesses subject to the CCPA/CPRA must comply with detailed requirements on privacy notices, consumer rights, and contractual arrangements with service providers.

Regulations Relating to Intellectual Property

PRC

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated in 1984 and was last amended in 2020 as well as the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 5, 2001, and last amended on December 11, 2023 and effective on January 20, 2024. According to the PRC Patent Law and its implementation regulations, the duration of a patent right for inventions, utility models and designs shall be 20 years, 10 years and 15 years, respectively, all commencing from the application date.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated on September 7, 1990 and last amended on November 11, 2020 and became effective on June 1, 2021, specifies that works of Chinese citizens, legal persons or other organizations, namely ingenious intellectual achievements in the fields of literature, art and science that can be presented in a certain form, whether published or not, shall enjoy the copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (the "**Software Copyright Measures**"), promulgated by the National Copyright Administration and became effective on February 20, 2002, regulates the registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The National Copyright Administration shall be the competent governmental authority for the national administration of software copyright registration and the Copyright Protection Center of China (the "**CPCC**") is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants pursuant to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (《計算機軟件保護條例》).

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated on August 23, 1982 and last amended on April 23, 2019, registered trademarks are trademarks approved and registered by the trademark bureau, including commodity trademarks, service trademarks, collective trademarks, and certification marks. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. A trademark registration applicant shall, according to the prescribed classification of goods, enter the class and designation of goods on which the trademark is to be used, and file an application for registration.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), promulgated on August 24, 2017 and came into effect on November 1, 2017, the principle of "first to file" is adopted for domain name services. The applicant for domain name registration shall provide the agency of domain name registration with true, accurate and complete information about the domain name holder's identity for registration purpose. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

Regulations Relating to Labor and Employment Protection

PRC

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated in 1994 and last amended in 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated in 2007 and amended in 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was issued by the State Council on September 18, 2008 and came into effect on the same day, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010 and amended on December 29, 2018, and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) recently amended by the State Council and effective on March 24, 2019, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the PRC, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), which was promulgated on April 3, 1999 and last amended on March 24, 2019, employers are required to make contributions to housing provident funds for their employees. Any entity fails to make payment of housing provident fund within the time limit or has shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

Pursuant to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated on January 24, 2014 and effective on March 1, 2014, employers may only use dispatched workers for temporary, auxiliary or substitutive positions, and they shall strictly control the number of dispatched workers, which shall not exceed 10% of the total number of employees.

Vietnam

Labor and employment matters in Vietnam are principally governed by the Labor Code No. 45/2019/QH14 (《越南勞動法》) and its implementing regulations. The Labor Code regulates various aspects of employment relationships, including recruitment, labor contracts, working hours, wages, labor discipline, employee representation and termination of employment. Employers are generally required to enter into labor contracts with employees in accordance with statutory requirements, comply with applicable working hour and overtime requirements, and ensure that employee remuneration is not lower than the applicable minimum wage levels prescribed by law. Employee representative organizations and trade unions in Vietnam are regulated by the Law on Trade Unions No. 50/2024/QH15 (《越南工會法》). Employees are entitled to establish, join and participate in trade unions in accordance with applicable laws. Employers and employees may also enter into collective labor agreements through collective bargaining, provided that the terms of such agreements comply with applicable legal requirements. Pursuant to the Law on Social Insurance No. 41/2024/QH15 (《越南社會保險法》), employers are generally required to make mandatory social insurance, health insurance and unemployment insurance contributions for eligible employees in accordance with applicable contribution rates. Failure to make such contributions may result in administrative penalties and other liabilities under applicable laws and regulations.

Regulations Relating to Tax

PRC

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which became effective on January 1, 2008 and was last amended on December 29, 2018, and its implementation rules, enterprises are classified as resident enterprises and non-resident enterprises. Enterprises which are incorporated in the PRC or incorporated pursuant to foreign laws with their "de facto management bodies" located in the PRC are deemed a "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-added Tax ("VAT")

According 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 NPCSC on December 25, 2024 and came into effect on January 1, 2026, and the Regulation on 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 came into effect on January 1, 2026, entities and individuals (including individual industrial and commercial proprietors) selling goods, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless otherwise stated, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Regulations Relating to Transfer Pricing

We have business presence in Mainland China, Hong Kong SAR, Germany, United States and other countries and regions. The subsidiaries shall comply with the local transfer pricing rules and regulations. In terms of inter-company transaction volume and major business operation location, we shall primarily follow transfer pricing rules and regulation in Mainland China, Hong Kong SAR, as well as "Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations" issued by the Organization for Economic Co-operation and Development.

Pursuant to the Enterprise Income Tax Law of the PRC, its implementation rules, the Implementation Regulations for Special Tax Adjustments (Trial) (《特別納稅調整實施辦法(試行)》) issued by the State Taxation Administration (the "**STA**"), and the Announcement of STA on Relevant Matters relating to Improvement of the Filing of Related Party Transactions and the Management of Contemporaneous Documentation (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》), transactions in respect of the purchase, sale and transfer of products between, among others, enterprises under direct or indirect control by the same third party are defined as related party transactions, which should comply with the arm's length principle (獨立交易原則). If the related party transactions fail to comply with arm's length principle which results in the reduction of the income or taxable income of the enterprise or its related party, the tax authority has the power to make a special tax adjustment (特別納稅調整) following certain procedures within ten years from the tax paying year that the non-compliant related party transaction had occurred.

Pursuant to the Announcement of STA on Relevant Matters relating to Improvement of the Filing of Related Party Transactions and the Management of Contemporaneous Documentation (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》) which became effective on June 29, 2016, any resident enterprise subject to audit collection and any non-resident enterprise which has establishments or offices in the PRC and honestly reports and pays enterprise income tax shall, in filing a tax return for the annual enterprise income tax with a tax authority, make related filings with regard to its business transactions with any related party and attach thereto the annual report on the related party transactions.

Pursuant to the Administrative Measures for Special Tax Adjustment and Investigation and Mutual Consultation Procedures (《特別納稅調查調整及相互協商程序管理辦法》) which came into effect from May 1, 2017, the tax authorities exercise special tax adjustment monitoring and management of enterprises through the review of the reporting of related party transactions, management of contemporaneous documentation, profit level monitoring and other means. If an enterprise receives a special tax adjustment risk warning from tax authorities or detects in itself any special tax adjustment risk, the enterprise may carry out voluntary adjustments and make retroactive tax payments, and the relevant tax authority may still proceed with special tax investigation adjustment procedures according to the relevant provisions. Further, pursuant to the tax treaties entered into by the PRC, STA may activate mutual consultation procedures either upon application by an enterprise or upon request by the competent tax authority of the contracting counterparty of a tax treaty to consult and negotiate with the latter, so as to avoid or eliminate international double taxation triggered by special tax adjustment.

Pursuant to the Inland Revenue (Amendment) (No. 6) Bill 2017, taxpayers in Hong Kong shall follow arm's-length principle in their business operation. The taxpayers who meet the thresholds of business scale and related party transaction volumes shall prepare transfer pricing documentation to support their related party transactions.

Regulations Relating to Foreign Exchange

PRC

According to the Foreign Currency Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and amended from time to time, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the "**SAFE**") or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control 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》) promulgated on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign currency capital and foreign debts) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

Regulations Relating to Dividend Distribution

The principal regulations governing dividends distributions by companies is the Company Law of the PRC. PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Under the Cayman Companies Act, our Company may only pay dividends or make other distributions out of realized or unrealized profits, out of the share premium account or as otherwise permitted by law, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay debts as they fall due in the ordinary course of business. Dividends paid by us to our Shareholders are not subject to any withholding tax in the Cayman Islands. In addition, under the current laws of the British Virgin Islands and Hong Kong, dividends paid by companies incorporated in the British Virgin Islands or Hong Kong, as applicable, are not subject to any withholding tax in those jurisdictions.

Regulations Relating to Overseas Listing

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "**Trial Measures**") which came into force on March 31, 2023. The Trial Measures regulates overseas securities offering and listing activities by domestic companies in direct or indirect form. The Trial Measures provide that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with and report relevant information to the CSRC, and the filing shall be submitted within three working days after the application for an initial public offering is submitted, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfill the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three working days after such follow-on offering is completed. Any overseas offering and listing made by an issuer that meets both of the following conditions will be determined as indirect: (i) more than 50% of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by the Chinese domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the PRC, or its main places of operations are within the PRC, or the senior managers in charge of its operation and management are mostly Chinese citizens or domiciled in the PRC. The determination as to whether or not an overseas offering and listing by domestic companies is indirect, shall be made on a substance over form basis. Moreover, an overseas offering and listing is prohibited if (i) it is prohibited by PRC laws, (ii) it may endanger national security as reviewed and determined by competent PRC authorities, (iii) in recent three years, the Chinese operating entities or their controlling shareholders or actual controllers have committed relevant prescribed criminal offenses, (iv) domestic companies that are suspected of committing crimes or major violations of laws and regulations are 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 controlling shareholders or by other shareholders that are controlled by the controlling shareholders or actual controllers.

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**") which came into force on March 31, 2023. The Archives Rules require that, domestic joint-stock enterprises listed in overseas markets via direct offering and domestic operational entities of enterprises listed in overseas markets via indirect offering must obtain approval and complete filing or other requirements before they publicly disclose any documents and materials that contain state secrets or government work secrets or that, if divulged, will jeopardize China's national security or public interest, or before they provide such documents or materials to entities or individuals such as securities companies, securities service providers and overseas regulators.