We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most important significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

MAIN LAWS AND REGULATIONS OF THE INDUSTRY AND INDUSTRIAL POLICIES

Pursuant 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 and effective on March 13, 2026, we shall accelerate the development of strategic emerging industries such as new-generation information technology, new energy, new materials, smart connected new-energy vehicles, robots, biomedicine, high-end equipment, and aerospace, and, in light of local conditions, build strategic emerging industry clusters that each have their own characteristics and complementary advantages, with a focus on cultivating a number of emerging pillar industries with great growth potential, high technological content, and broad application penetration.

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the PRC and the Long-Range Objectives through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which became effective on March 12, 2021, requires focusing on new energy, new materials, environmental protection and other strategic emerging industries, accelerating the innovation and the application of core technologies in key fields, enhancing production factor assurance capabilities and fostering new drivers for industrial development.

According to the Catalogue for the Guidance of Adjustment to Industrial Structure (2024 Version) (《產業結構調整指導目錄(2024年本)》), which became effective on February 1, 2024, key materials such as carbon nanotubes and carbon nanotube conductive fluids are under the encouraged category.

According to the Notice on Promoting Coordinated and Stable Development of the Industrial and Supply Chains of Lithium-ion Batteries (《關於做好鋰離子電池產業鏈供應鏈協同穩定發展工作的通知》), which came into effect on November 10, 2022, lithium battery manufacturers, first-tier material enterprises, second-tier material enterprises, lithium battery recycling enterprises, terminal application enterprises for lithium batteries, as well as system integration, channel distribution, logistics and transportation enterprises, are encouraged to deepen cooperation and, by entering into long-term contracts and engaging in technological cooperation, establish long-term mechanisms that guide upstream and downstream to stabilize expectations, clarify volumes and prices, ensure supplies, and achieve win-win cooperation.

Guiding Opinions of the Ministry of Industry and Information Technology and Other Five Departments on Promoting the Development of the Energy Electronics Industry (《關於推動能源電子產業發展的指導意見》) issued and effective on January 3, 2023, stipulates that the application level of negative electrode materials such as graphite and lithium composite anode shall be improved. By focusing on low cost and high safety of batteries, research on positive and negative materials such as hard carbon anode materials, main materials such as electrolyte and relevant auxiliary materials shall be strengthened, efficient modular system integration technology shall be developed, and the technological breakthrough and large-scale application of sodium ion batteries shall be accelerated.

According to the Notice by the Ministry of Industry and Information Technology and the State-owned Assets Supervision and Administration Commission of the State Council on Issuing the Guiding Catalogue (Batch I) for Key Development of Frontier Materials Industrialization (《工業和信息化部國務院國資委關於印發前沿材料產業化重點發展指導目錄(第一批)的通知》) (the "**Guiding Catalogue**") issued and effective on August 3, 2023, in order to accelerate innovative development in the industrialization of frontier materials and guide the formation of joint forces for development, frontier materials such as single/double-walled carbon nanotubes and graphene have been included in the Guiding Catalogue.

The Action Plan for the High-Quality Development of the New-type Energy Storage Manufacturing Industry (《新型儲能製造業高質量發展行動方案》), which became effective on

February 10, 2025, specifies that advanced safety materials including high-thermal-stability cathodes, low-expansion anodes, high-strength, high-temperature-resistant separators, and temperature-sensitive flame-retardant materials, shall be developed to enhance the environmental adaptability and thermal stability of energy storage batteries. Breakthroughs in pressure vessel lifecycle safety technologies shall be achieved, and the solid-state development of lithium and sodium batteries shall be advanced to improve intrinsic safety performance.

According to the Guiding Catalog for Key Products and Services for Strategic Emerging Industries (《戰略性新興產業重點產品和服務指導目錄》) promulgated by the NDRC on January 25, 2017, anode materials include lithium titanate, graphite-based materials (such as synthetic and natural graphite), hard carbon materials, soft materials and silicon-based composites are key products and services for strategic emerging industries.

LAWS AND 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》) (the "**Production Safety Law**"), which was last amended by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety, strengthen production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, improve production safety conditions, and strengthen the standardization of production safety, raise production safety levels, and ensure production safety. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, depending on the circumstances of the violation, and criminal liability will be pursued if the violation constitutes a crime.

In addition to the general requirements for production safety, for newly built, reconstructed or expanded construction projects, according to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》) (the "**Construction Projects Safety Facilities Measures**"), promulgated on December 14, 2010 and amended on April 2, 2015, the safety facilities in a newly built, reconstructed or expanded construction project must be designed, constructed and put into use simultaneously with the main body of the project. For the construction projects specially set forth in the Construction Projects Safety Facilities Measures, comprehensive research and pre-assessment on the safety conditions of the construction projects shall be conducted by qualified safety assessment body. If an enterprise violates the relevant requirements, it may be ordered to make corrections within a specified time limit, discontinue the construction process or suspend its production and business operation for rectification, and imposed a fine.

LAWS AND 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》, which was last amended on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was amended on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated on November 20, 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the competent administrative department of environmental protection under the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection.

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was last amended on April 29, 2020 and came into effect on September 1, 2020, the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which was last amended on June 27, 2017 and came into effect on January 1, 2018, and the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), which was last amended on October 26, 2018 and took effect on the same day, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Enterprises and institutions that emit industrial waste gas or toxic and hazardous air pollutants listed in the catalog published according to Article 78 of the Law of the PRC on the Prevention and Control of Atmospheric Pollution, as well as other units that implement administration of pollution discharge permits in accordance with the law, shall obtain a pollutant discharging permit.

Pursuant to the provisions of the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated on January 24, 2021 and came into effect on March 1, 2021, and the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated on April 1, 2024 and took effect on July 1, 2024, the State implements the classified pollutant discharge permit management (i.e., key management and simplified management) on pollutant discharges of enterprises based on factors such as the volume of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. Enterprises, institutions and other production and operation units that are included in the Classification Administration List of Pollutant Discharge Permits for Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit within the prescribed time limit, and shall not discharge pollutants without a pollutant discharge permit.

LAWS AND REGULATIONS ON HAZARDOUS CHEMICALS

Pursuant to the provisions of the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) promulgated on January 26, 2002, last amended on December 7, 2013 and took effect on the same day, no entity or individual may engage in the production, storage, use, operation, transportation and other business activities of hazardous chemicals without approval. An enterprise that stores hazardous chemicals shall set up prominent signs on its hazardous chemical transportation pipeline, conduct regular inspections and tests on the pipeline, and set up prominent safety warning signs on its workplaces, safety facilities and equipment. In addition, the enterprise shall also establish and regularly repair and maintain its safety facilities and equipment based on the types and hazard characteristics of hazardous chemicals and in accordance with relevant national and industry standards. An entity that stores highly toxic chemicals or hazardous chemicals constituting a serious hazard source in quantity shall report the storage quantity, location and management personnel to the work safety supervision and administration department and the public security agency of the county-level local people's government. Meantime, any enterprise that engages in the production of hazardous chemical falling into the catalog of Hazardous Chemicals (《危險化學品目錄》) shall obtain a work safety permit for hazardous chemicals in accordance with the Regulation on Work Safety Permits (《安全生產許可證條例》) before starting production.

Pursuant to the Measures for the Administration of Registration of Hazardous Chemicals (《危險化學品登記管理辦法》) promulgated on July 1, 2012 and became effective on August 1, 2012, enterprises engaged in the production and import of any chemicals listed in the catalog of Hazardous Chemicals must register with the competent work safety supervision department prior to the inspection and acceptance of completed projects or the first importation activity. The hazardous chemicals registration certificate shall be valid for three years and the enterprise may file a certificate renewal application three months before the expiry of the validity term of the registration certificate.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993, and last revised on December 29, 2018, the law applies to all production and marketing activities within the territory of the PRC. Producers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) products shall be free from any irrational dangers threatening the safety of people and property. If there are State standards or trade standards for ensuring the health of the human body and safety of lives and property, the products shall conform to such standards; (ii) products shall have the property they are due to have, except cases in which there are explanations about the defects of the property of the products; and (iii) products shall tally with the standards prescribed or specified on the packages and with the quality specified in the instructions for use or shown in the providing samples. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of a producer or seller will be revoked, and if the violation is so serious as to have constituted a crime, the producer or seller will be prosecuted for criminal liability.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), which was promulgated on May 28, 2020 and became effective on January 1, 2021, where a defect of a product endangers the personal or property safety of another person, the infringed person has the right to request the manufacturer or seller of the product to bear tort liability in forms of cessation of the infringement, removal of the nuisance, elimination of the danger, or the like.

LAWS AND REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), which became effective on July 1, 1994, last revised on December 27, 2025 and came into force on March 1, 2026, the state allows the free import and export of goods and technologies, unless otherwise specified by laws and administrative regulations.

The Customs Law of the PRC (《中華人民共和國海關法》), which became effective on July 1, 1987 and was last revised and came into force on April 29, 2021, specifies that unless otherwise specified, consigners or consignees of imported or exported goods may go through the customs declaration and taxation procedures or engage a customs broker to do so. The consigners or consignees of imported or exported goods and the customs broker shall file with the customs in accordance with laws.

The Administrative Provisions of the PRC on the 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 became effective on January 1, 2022, specifies that a customs declaration entity means consigner or consignee of imported or exported goods or customs broker that files with the customs. A customs declaration entity may make a customs declaration in China. The filing of a customs declaration entity is valid permanently.

On October 17, 2020, the SCNPC promulgated the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) (the "**Export Control Law**"), which came into effect on December 1, 2020. The Export Control Law established a comprehensive legal framework for the State's control over the export of dual-use items, military products, nuclear and other goods, technologies, as well as related services and other items that are relevant to safeguarding national security and interests or the fulfillment of international obligations, such as non-proliferation. Among other provisions, the law stipulates that the State's export control authorities shall, together with other related departments, formulate and adjust the list of items subject to export control, pursuant to the provisions of the Export Control Law and other relevant laws and administrative regulations, export control policies and specified procedures, and promptly release the same, and the State's export control authorities may, in light of the needs of protecting national security and interests and fulfilling non-proliferation and other international obligations, with the approval of the State Council or both the State Council and the Central Military Commission, impose temporary export control over goods, technologies and services which are not on the export control list, and make announcements thereof.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. "Pre-access national treatment" means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; "negative list" refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations**"), which came into effect on January 1, 2020, further stipulates that the PRC shall, according to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**2024 Negative List**") is issued by the NDRC and the MOFCOM jointly on September 6, 2024, to replace the previous encouraging catalog and negative list thereunder. Pursuant to the Foreign Investment Law, the 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.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (the "**Measures**") promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

REGULATIONS ON OVERSEAS INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which became effective on May 1, 2009, and was last revised on September 6, 2014 and came into force on October 6, 2014, specifies that the Ministry of Commerce and the competent commercial authorities of all provinces, autonomous regions, specifically designed cities in the state plan, and Xinjiang Production and Construction Corps (hereinafter referred to as provincial commercial authorities) are responsible for the management and supervision of overseas investment, and the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions, or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which became effective on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the National Development and Reform Commission.

LAWS AND REGULATIONS ON OVERSEAS OFFERING AND LISTING

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

The Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where 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) where 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) where 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; (v) where 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 Trial Measures stipulates that upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. 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 etc., and duly fulfil their obligations to protect national courtesy translation security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated 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》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of mainland China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of mainland China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996 and was last revised and came into force on August 5, 2008, applies to the foreign exchange receipts and payments or foreign exchange business activities of domestic organizations and individuals, foreign organizations and individuals in China. It specifies that China shall not restrict international current payments and transfers. The foreign exchange receipts of domestic organizations and individuals can be repatriated to China or deposited overseas; the conditions and time limit for repatriation or overseas deposit shall be specified by the foreign exchange administration authorities of the State Council according to the international balance of payment and the needs of foreign exchange administration. Domestic organizations and individuals who make overseas direct investments or engage in the overseas issuance and trading of negotiable securities and derivatives shall register in accordance with the requirements of the foreign exchange administration authority of the State Council. If the state requires prior approval by or filing with relevant competent authorities, the approval or filing procedures shall be gone through prior to the foreign exchange registration.

The Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for Administration of Foreign Exchange Settlement under 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》), which became effective on June 9, 2016, specifies that in the case of foreign exchange receipts in capital accounts subject to willingness exchange settlement as specified by relevant policies (including foreign exchange capital, foreign debt funds and proceeds from overseas listing which are repatriated, etc.), exchange settlement may be made in banks according to the actual business needs of domestic organizations. The foreign exchange receipts in the domestic capital account and RMB proceeds from exchange settlement may be used to cover the current account expenditures within the business scope, as well as the expenditures under the capital account permitted by laws and regulations.

The Circular on Further Improving RMB Cross-Border Business Policies and Promoting Trade and Investment Facilitation (《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》), which became effective on January 5, 2018, specifies that domestic enterprises may repatriate the proceeds to China for use according to actual needs after issuing RMB bonds overseas and going through relevant procedures according to the macro-prudent administration of full-coverage cross-border financing. RMB proceeds of domestic enterprises from overseas issuance of shares may be repatriated to China for use according to actual needs.

The Notice on Issues Concerning Capital Management for Overseas Listing of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) (the "**Notice**") was jointly issued by the People's Bank of China and the State Administration of Foreign Exchange on December 26, 2025, aiming to further facilitate efficient fund raising of domestic enterprises in overseas financial markets. Key elements of the Notice include: (1) Proceeds from overseas listing, share reduction, or share transfers can be repatriated in foreign currency or RMB, while dividends paid by listed entities participating in the "full circulation" of H-shares to domestic shareholders shall be distributed in RMB within China. (2) Funds raised from overseas listings, as well as proceeds from share reductions or transfers, shall in principle be repatriated to China. Any remaining funds from capital outflows for share purchases by shareholders or funds from transactions that are not completed shall be promptly repatriated. Enterprises meeting certain conditions are allowed to retain raised funds for use overseas.

LAWS AND REGULATIONS ON PROPERTY LEASING

According to the PRC Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

Pursuant to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, which became effective on February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the competent construction or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

The Labour Law of the PRC (《中華人民共和國勞動法》), which became effective on January 1, 1995 and was last revised and came into force on December 29, 2018, is one of main laws regulating the labour relations between enterprises and employees in China. It specifies that labourers have equal right to employment and choice of occupation, the right to remuneration for labour, to rest and vacations, to the protection of occupational safety and health, to training in vocational skills, to social insurance and welfare, to submission of labour disputes for settlement and other rights relating to labour stipulated by laws. The employing units shall establish and perfect rules and regulations in accordance with the laws so as to ensure that workers and labourers enjoy the right to work and fulfil labour obligations. A labour contract shall be concluded where a labour relationship is to be established. The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work with occupational hazards. China provides special protection for female staff and workers and juvenile workers. China has established a social insurance system, and set up social insurance funds so that labourers may receive assistance and compensation under such circumstances as old age, illness, work-related injury, unemployment and childbirth.

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which became effective on January 1, 2008, and was last revised on December 28, 2012 and came into force on July 1, 2013, applies to the establishment of labour relations, entry into, performance, amendment, rescission or termination of labour contracts between enterprises, individual economic organisations, private unincorporated organisations and other organisations on the one hand and workers on the other, in China. It specifies that labour contracts shall be concluded in adherence to the principles of legality, fairness, equality, voluntariness, consensus and good faith. Employing units shall establish and improve labour rules and regulations to ensure that workers enjoy the labour rights and fulfil the labour obligations. The establishment of a labour relationship requires entering into a written labour contract. The employing unit shall strictly implement the norm set for labour quota and shall not compel the workers to work overtime or do so in a disguised form. If an employing unit assigns overtime work, it shall make overtime payments to the employers in accordance with relevant provisions of China.

Pursuant to the Interpretation II of the Supreme People's Court on 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)》), promulgated on July 31, 2025 and effective since 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.

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which became effective on July 1, 2011 and was last revised and came into force on December 29, 2018, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which became effective on January 1, 2004, and was last revised on December 20, 2010 and came into force on January 1, 2011, the Trial Measures for Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), which became effective on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Endowment Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), which became effective on July 16, 1997, the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which became effective on December 14, 1998, and the Regulations on Unemployment Insurance (《失業保險條例》), which became effective on January 22, 1999, specify that China should establish basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and other social insurance systems, so that the citizens can obtain assistance and compensation from the country and society in their old age or in case of illness, work-related injury, unemployment, childbirth, etc. Employers and individuals in China shall make social insurance contributions in accordance with laws. Enterprises in China are obliged to purchase endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance for their employees. If an employer fails to make social insurance contributions in full and on time, the organisation collecting social insurance contributions shall order it to make contributions or make up for the balance within a specified period, and shall, from the date of payment, impose a late payment penalty at the rate of 0.05% on a daily basis; if the employer fails to make payment within the specified period, the relevant administrative department shall impose a penalty of not less than one time but not more than three times the arrears.

The Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which became effective on April 3, 1999 and was last revised and came into force on March 24, 2019, specifies that enterprises in China shall apply to the housing provident fund management centre for registration of contributions to the housing provident fund, and open housing provident fund accounts for their employees. If an employer fails to make contributions or makes insufficient contributions to the housing provident fund within the specified period, the housing provident fund management centre shall order it to make contributions within a specified period; if the employer fails to make payment within the specified period, an enforcement application may be submitted to the people's court.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

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. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**"), which was promulgated by the Standing Committee 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. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), or 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. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

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 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 service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY

Regulations on Internet information security

The National Security Law of the PRC (《中華人民共和國國家安全法》) promulgated and becoming effective on July 1, 2015, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investments, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated on November 7, 2016 and becoming effective on June 1, 2017, as revised on October 28, 2025 with the amendments becoming effective on January 1, 2026, is applied to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfil the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

The Data Security Law of PRC (《中華人民共和國數據安全法》(the "**Data Security Law**") promulgated on 10 June 2021 and becoming effective on 1 September 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

Regulations on Privacy protection

Pursuant to the PRC Civil Code, personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of the others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of the others, or illegally purchase or sell, provide, or make public personal information of the others.

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**") promulgated on August 20, 2021, became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors shall truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that shall be notified as required by laws and administrative regulations. Based on the processing purposes and processing methods of personal information, types of personal information, impacts on personal rights and interests, and possible security risk, etc., personal information processors shall also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law, or the processing of personal information fails to fulfil the personal information protection obligations thereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined for not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the department performing personal information protection duties at or above the provincial level shall order the personal information processor to make corrections, confiscate the illegal gains, impose a fine of less than RMB50 million or less than 5% of the previous year's turnover, order the suspension of relevant business or suspend business for rectification and notify the relevant competent authority to revoke the relevant permits or business license; impose a fine of not less than RMB100,000 but not more than RMB1 million on the directly responsible person in charge and other directly responsible personnel, and may decide to prohibit them from serving as a director, supervisor, senior management and person in charge of personal information protection of related companies within a certain period of time.