CHINESE MAINLAND

Below sets out a summary of certain aspects of PRC laws, regulations and policies relevant to our business operations.

REGULATIONS ON COMPANIES

The establishment, operation and management of companies in the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993 and last amended on December 29, 2023. Under the PRC Company Law, companies established in the PRC are generally classified into two categories: limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested companies. Where laws on foreign investment provide otherwise, such provisions shall prevail.

THE MAJOR LAWS, REGULATIONS AND INDUSTRIAL POLICIES RELEVANT TO OUR BUSINESS

Industrial Policies and Regulatory Provisions

According to the Action Plan for High-Quality Development of New Energy Storage Manufacturing (《新型儲能製造業高質量發展行動方案》) jointly promulgated by eight departments including the MIIT on February 10, 2025 and came into effect on the same day, it is proposed to promote the deep integration of new energy storage with next-generation information technology to achieve efficient integration and precise regulation of energy storage systems through optimized economic configuration of system energy flow and information flow, functional optimization of operation, and effective logical connectivity, and enhance the intelligence level of new energy storage products. It focuses on concentrated research and development in areas such as system structural design, refined battery management, efficient thermal management and energy management, integration of auxiliary equipment, and high-performance prefabricated cabins, so as to improve the supply capacity of key core devices and components such as advanced power semiconductors, intelligent sensors, power management chips, and high-power efficient converters.

According to the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 of the PRC (《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》) promulgated by the NPC on March 12, 2021 and came into effect on the same day, China will focus on new energy, new energy vehicles, environmental protection and other emerging industries of strategic importance, and accelerate the innovation and application of core technologies in key fields to enhance the country's capacity of ensuring the supply of productive factors and foster new drivers for industrial development thereafter.

According to the Notice on Issuing the Implementation Plan for Promoting Equipment Renewal in the Industrial Sector (《關於印發推動工業領域設備更新實施方案的通知》) promulgated by seven departments including the MIIT on March 27, 2024 and came into effect on the same day, focusing on promoting new industrialization and taking large-scale equipment renewal as a key lever, the plan implements technological transformation and upgrade projects in the manufacturing industry. With a focus on digital transformation and green upgrades, it aims to promote the high-end, intelligent, and green development of the manufacturing industry, providing strong support for developing new quality productive forces and improving the quality and level of the national economic cycle. It promotes the application of intelligent manufacturing equipment. Focusing on the transformation of processes such as production operations, warehousing and logistics, and quality control, it promotes the renewal of general intelligent manufacturing equipment such as CNC machine tools and basic manufacturing equipment, additive manufacturing equipment, industrial robots, industrial control equipment, intelligent logistics equipment, and sensing and testing equipment. It also accelerates the construction of intelligent factories and the deep integration of next-generation information technology with the entire manufacturing process and all elements, promoting breakthroughs in manufacturing technology, process innovation, lean management, and business process reengineering.

According to the Action Plan for Promoting the Trade-in of Consumer Goods (《推動消費品以舊換新行動方案》) promulgated by 14 departments including the MOFCOM on March 27, 2024 and came into effect on the same day, taking the expansion of renovation and transformation of existing housing as an entry point, the plan promotes the trade-in of home decoration, kitchen, and bathroom consumer goods, encourages smart home consumption, and continuously releases the potential of home consumption. It aims to cultivate new growth points for home consumption and promote the implementation of smart homes in more life scenarios such as smart kitchens, healthy bathrooms, home security, and elderly care monitoring.

REGULATIONS ON PRODUCT QUALITY

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 and last amended on December 29, 2018, applies to all production and sales activities within the PRC. According to the Product Quality Law, products for sale must comply with relevant quality and safety standards. Enterprises are prohibited from producing or selling counterfeit or substandard products in any manner, including forging brand labels or providing false information regarding the manufacturer of the product. Violations of national or industrial health and safety standards and any other related violations may result in civil liabilities and administrative penalties, such as damages, fines, orders to cease production or business, and confiscation of illegally produced and sold products and earnings from such sales. In severe cases, criminal liability may be pursued against the responsible individuals or enterprises. Where a defective product causes personal injury or property damage, the victim may claim compensation from the producer or the seller of the product. Where the responsibility lies with the producer of the product and the seller has made compensation, the seller shall have a right of recourse against the producer. Similarly, where the responsibility lies with the seller of the product and the producer has made compensation, the producer shall have a right of recourse against the seller.

According to the Measures for the Implementation of the Regulation on the Administration of the Recall of Defective Automotive Products (2020 Revision) (《缺陷汽車產品召回管理條例實施辦法（2020年修訂）》) promulgated by the SAMR on October 23, 2020 and effective immediately, producers of automobiles and trailers are the primary subjects responsible for the recall of defective automobiles, and producers of automotive components shall report information related to defective automobiles to the SAMR and the producers of automobiles and trailers. The SAMR and entrusted market supervision departments have the right to conduct on-site investigations at the premises of automotive component producers, and automotive component producers shall cooperate during the investigation of defective automobiles and provide relevant materials required for the investigation.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 27, 2025, and the Regulations of the PRC on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, both provide that the State allows the free import and export of goods and technologies, unless otherwise provided by relevant laws or administrative regulations, and all entities engaged in the import and export of goods business shall comply with applicable laws and regulations. The Customs Law of the PRC (《中華人民共和國海關法》) promulgated on January 22, 1987 and last amended on April 29, 2021, provides, among other things, that consignees and consignors of imported or exported goods or customs declaration agents shall file with the relevant customs authorities before completing any customs declaration formalities. 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》) promulgated by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, further sets out detailed requirements for the documents required for recordation and the reporting requirements to the relevant customs authorities when specific changes occur in the recordation information.

REGULATIONS ON PRODUCTION SAFETY

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the "**Production Safety Law**") was promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, which applies to all entities engaged in production and business activities in the PRC. Such entities shall, in accordance with the Production Safety Law, strengthen production safety management, establish and improve a production safety responsibility system for all employees and internal rules and regulations for production safety, increase investment in funds, materials, technology, and personnel for production safety, improve working conditions, strengthen the standardization and informatization of the production safety system, construct a dual prevention mechanism for hierarchical control of safety risks and screening and elimination of hidden risks, and improve the risk prevention and resolution mechanism to ensure production safety. Violations of the Production Safety Law may result in administrative penalties such as fines, suspension of business, and revocation of licenses.

REGULATIONS ON FIRE SAFETY

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》) (the "**Fire Protection Law**") promulgated by the SCNPC on April 29, 1998 and last amended on April 29, 2021, for special construction projects specified by the housing and urban-rural development competent department of the State Council, the construction entity shall submit fire protection design documents to the housing and urban-rural development competent department for review; for other construction projects other than those specified in the preceding paragraph, the construction entity shall provide fire protection design drawings and technical materials that meet the needs of construction when applying for a construction permit or applying for approval of a commencement report.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and last amended on August 21, 2023, special construction projects as defined in such provisions shall undergo fire protection design review and fire protection acceptance, and construction projects other than special construction projects shall be filed with the competent department for fire protection acceptance of the project.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), which came into effect on January 1, 2020. The FIL established the basic framework for the access, promotion, protection and administration of foreign investment through legislation from the perspectives of investment protection and fair competition. On December 26, 2019, the State Council promulgated the Implementing Regulations of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementing Regulations**"), which came into effect on January 1, 2020, further clarifying that the State encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investment, regulates the administration of foreign investment, continuously optimizes the foreign investment environment, and promotes higher-level opening-up.

On December 15, 2025, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the NDRC promulgated the Encouraged Industry Catalogue for Foreign Investment (2025 version) (《鼓勵外商投資產業目錄（2025年版）》) (the "**Encouraged Catalogue**"), which came into effect on February 1, 2026. On September 6, 2024, the MOFCOM and the NDRC promulgated the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施（負面清單）（2024年版）》) (the "**Negative List**"), which came into effect on November 1, 2024. The Encouraged Catalogue and the Negative List set out the basic framework for foreign investment in the PRC, classifying foreign investment industries into three categories: "encouraged," "restricted" and "prohibited." Foreign investors shall not invest in fields prohibited by the Negative List; for fields restricted by the Negative List, foreign investors shall conform to the investment conditions as required; foreign investment outside the Negative List shall be managed under the principle of equal treatment for domestic and foreign investment.

REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Provisions of the State Council on Outbound Investment (《國務院關於對外投資的規定》), promulgated by the State Council on May 5, 2026 and effective as of July 1, 2026, where investors are required by applicable laws to complete examination and approval, filing, information reporting, cross-border capital registration and other formalities in connection with their outbound investment activities, such investors shall handle such formalities in accordance with the applicable PRC regulations, truthfully submit the relevant materials and cooperate with the supervision and inspection conducted by the relevant competent authorities. Where an investor makes outbound investments in categories prohibited by the State, the investment regulatory authority under the State Council and the competent commerce authority shall, in accordance with their respective responsibilities, order such investor to cease the relevant investment activities, dispose of the relevant equity interests or assets within a prescribed time limit, and confiscate any illegal gains; where the investor refuses to comply, a fine of not less than 5‰ but not more than 10‰ of the investment amount shall be imposed; and the directly responsible supervisory personnel and other persons directly liable therefor shall each be fined not less than RMB50,000 but not more than RMB100,000.

Pursuant to the Administrative Measures for Outbound Investment (2014) (《境外投資管理辦法(2014)》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by 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.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, a domestic enterprise (the "**investor**") making an outbound investment shall fulfill the applicable approval, record-filing or other procedures for outbound investment projects (the "**projects**"), report relevant information, and cooperate with supervision and inspection. Sensitive projects carried out by investors directly or through overseas enterprises controlled by them shall be subject to administration by approval; non-sensitive projects directly carried out by investors (namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee) shall be subject to record-filing. The aforementioned sensitive projects refer to projects involving sensitive countries and regions or sensitive industries. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄（2018年版）》), which came into effect on March 1, 2018, setting out the sensitive industries for outbound investment in detail.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC (the "**MEE**") is authorized to issue national standards for environmental quality and national standards for pollutant emissions, and to implement unified supervision and management of the environmental protection work throughout the country. Meanwhile, local environmental protection authorities may formulate local pollutant emission standards that are more rigorous than the national pollutant emission standards, and the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on December 29, 2018, the Regulations on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and last amended on July 16, 2017, and the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection on November 20, 2017, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall, prior to the commencement of construction, submit an environmental impact report or an environmental impact statement for approval, or file an environmental impact registration form for record, in accordance with the regulations of the environmental protection competent administrative department of the State Council. 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 environmental protection competent administrative department of the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. Projects that have not undergone acceptance inspection or have failed the acceptance inspection shall not be put into production or use.

Pollutant Discharge

According to the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the MEE on April 1, 2024 and effective from July 1, 2024, and the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, enterprises, public institutions and other producers and business operators included in the catalogue of classified management of pollutant discharge permits for stationary pollution sources issued by the MEE must apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Work Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial) (《固定污染源排污登記工作指南（試行）》) promulgated by the General Office of the MEE on January 6, 2020, enterprises with small pollutant discharge volumes and minor environmental impacts are not required to apply for a pollutant discharge permit but must still complete the pollutant discharge registration for stationary pollution sources.

REGULATIONS ON REAL ESTATE

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), the creation, change, transfer and extinction of real estate property rights shall become effective upon registration in accordance with the law; without registration, such creation, change, transfer and extinction shall not become effective, unless otherwise provided by law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014 and last amended on March 10, 2024, and the Implementation Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources on January 1, 2016 and last amended on May 9, 2024, real estate registration shall be handled by the registration authority at the place where the real estate is located.

REGULATIONS ON HOUSING LEASING

According to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and effective from February 1, 2011, within 30 days after the execution of a housing lease contract, the parties to the housing lease shall handle the housing lease registration and record-filing with the construction (real estate) competent department of the people's government of the municipality directly under the central government, city or county where the leased housing is located.

REGULATIONS ON INTELLECTUAL PROPERTY

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020, and the Implementation Rules 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 15, 2001 and last amended on December 11, 2023, patents in the PRC are divided into invention patents, utility model patents and design patents. The validity period of invention patents, utility model patents and design patents is 20 years, 10 years and 15 years, respectively, all commencing from the date of application. No person may use a patent without the license or authorization of the patentee. Otherwise, the use of the relevant patent constitutes an infringement of the patent right.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 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》) promulgated by the State Council on August 3, 2002 and last amended on April 29, 2014, trademarks approved and registered by the Trademark Office are registered trademarks, including commodity trademarks, service trademarks, collective marks and certification marks. The validity period of a registered trademark shall be ten years, commencing from the date of approval of registration. If there is a continued need for the use of the trademark upon expiry of the validity period, the trademark registrant shall handle the renewal procedures within 12 months before the expiry. The validity period of each renewal of registration shall be ten years, commencing from the day after the expiry of the previous validity period of the trademark.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020, works of Chinese citizens, legal persons or unincorporated organizations, which refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, are entitled to copyright regardless of whether they are published.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and effective from March 1, 2013, the National Copyright Administration shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority. The China Copyright Protection Center shall grant registration certificates to computer software copyright applicants who comply with the provisions of the Measures for the Computer Software Copyright Registration and the Regulations on the Computer Software Protection.

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and effective from November 1, 2017, and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names for Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and effective from January 1, 2018, the MIIT implements supervision and administration of domain name services nationwide. The domain names used by internet information service providers in engaging in internet information services shall be registered and owned by them in accordance with laws and regulations. Domain name registrations are handled through domain name service agencies established according to the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secrets

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), promulgated by the SCNPC on September 2, 1993 and last amended on June 27, 2025, the term "trade secrets" refers to commercial information such as technical information and business information that is unknown to the public, has commercial value and is maintained as a secret by its rights holder through corresponding confidentiality measures. Under the Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets by: (1) obtaining the trade secrets from the rights holder by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under the previous item; (3) disclosing, using or permitting others to use the trade secrets in violation of confidentiality obligations or any requirements of the rights holder to keep such trade secrets in confidence; or (4) instigating, inducing or assisting others to violate confidentiality obligations or to violate a rights holder's requirements on keeping confidentiality of trade secrets, obtaining, disclosing, using or permitting others to use the trade secrets of the rights holder. If the trade secrets of a rights holder are infringed by any person, the regulatory authorities may order to stop the illegal acts, confiscate illegal gains and impose a fine on the infringer.

REGULATIONS ON LABOR AND SOCIAL WELFARE

Labor

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and last amended on December 28, 2012, and the Implementing Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008, labor relationships between employers and employees must be executed in writing. Where a labor relationship has been established but no formal contract has been entered into, a written labor contract shall be signed within one month from the date on which the employee begins to work. Employers must establish a labor safety and health system, strictly implement national standards, and provide relevant training to employees.

On July 31, 2025, the Supreme People's Court of the PRC promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of Labor Contract Law of the PRC, the court shall support such claims in accordance with the law.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council and last amended on March 24, 2019, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund. Employers that fail to pay the aforementioned social insurance and housing provident fund may be subject to fines and ordered to make full payments within a prescribed time limit. Where an employer fails to pay social insurance and housing provident fund within the prescribed time limit, an application may be made to the people's court for compulsory enforcement.

REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), which was last amended on December 29, 2018. On December 6, 2007, the State Council formulated the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which came into effect on January 1, 2008 and was last amended on December 6, 2024. According to the EIT Law and its implementation rules, both resident enterprises and non-resident enterprises are subject to tax in the PRC. A resident enterprise refers to an enterprise that is established in the PRC in accordance with the law, or that is established in accordance with the law of a foreign country but whose actual administration institution is in the PRC. A non-resident enterprise refers to an enterprise established in accordance with the law of a foreign country and whose actual administration institution is outside the PRC, but it has institutions or establishments in the PRC, or it has no institutions or establishments in the PRC but has income sourcing from the PRC. According to the EIT Law and its implementation rules, resident enterprises are subject to a uniform enterprise income tax rate of 25%. According to the EIT Law, high-tech enterprises are subject to a reduced enterprise income tax rate of 15%.

Value-added Tax

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, which came into effect on January 1, 2026 and simultaneously repealed the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), all entities and individuals (including private enterprises or individual industrial and commercial households) engaged in the sale of goods, services, intangible assets, real estate and the importation of goods within the PRC are VAT taxpayers and shall pay VAT. Unless otherwise provided, the tax rate for the sale of goods, processing, repair and replacement services and leasing services of tangible movable property is 13%; the tax rate for the sale of transportation, postal, basic telecommunications, construction, real estate leasing services, the sale of real estate, the transfer of land use rights and the sale or importation of goods as prescribed by law is 9%; the tax rate for the sale of services and intangible assets is 6%; and the tax rate for exported goods is zero, except as otherwise provided by the State Council.

REGULATIONS ON FOREIGN EXCHANGE

According to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008, foreign exchange income from current accounts may be retained in or sold to financial institutions engaging in conversion and sale of foreign currencies. However, capital account transactions related to foreign-invested enterprises, such as capital increases and reductions, are subject to prior approval by the SAFE or its local branches. Foreign-invested enterprises may purchase foreign currencies for foreign exchange transactions related to trade and services without the approval of the SAFE, provided that documents proving such transactions are provided. In addition, foreign exchange transactions involving direct investment, loans and securities investment outside the PRC are also restricted and require the approval of the SAFE.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support Foreign-related Business Growth (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued and effective on April 10, 2020, the facilitation reform for receipts and payments under the capital account is rolled out nationwide. While ensuring funds are used for true businesses and in compliance with regulations and the existing management provisions on use of receipts under the capital account, eligible companies will be allowed to use receipts under the capital account such as foreign exchange capital, external debts and funds raised through overseas listing for domestic payments, without submitting authentication materials to banks beforehand on a transaction-by-transaction basis.

The Guidelines for the Foreign Exchange Business under the Capital Account (2024 Edition) (《資本項目外匯業務指引（2024年版）》) promulgated on April 3, 2024 sets out regulatory requirements for securities investment management and other related foreign exchange businesses, and provides operational guidance on matters such as foreign exchange procedures for new registration, change and cancellation of registration involved in the overseas listing of domestic companies, and registration of shareholding by domestic shareholders.

REGULATIONS ON OVERSEAS LISTING

According to the Securities Law of the PRC (《中華人民共和國證券法》) last amended by the SCNPC on December 28, 2019, domestic enterprises that directly or indirectly issue securities overseas or list their securities overseas must comply with the relevant regulations of the State Council. Specific measures for the subscription and trading of shares of domestic companies in foreign currencies shall be separately prescribed by the State Council. The CSRC is the securities regulatory authority established by the State Council, responsible for the supervision and management of the securities market in accordance with the law, maintaining the order of the securities market and ensuring its legal operation. At present, the issuance and trading of H shares are mainly regulated by the regulations and rules promulgated by the State Council and the CSRC.

On February 17, 2023, the CSRC promulgated 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 "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic companies that directly or indirectly issue securities or list on overseas markets, including joint stock companies with limited liability in the PRC and overseas companies that primarily conduct business operations in the PRC and intend to offer shares or list on overseas markets based on their equity, assets or similar interests in the PRC, shall file with the CSRC within three business days after submitting the listing application documents to the regulatory authorities in the intended place of listing. Companies that fail to complete the filing in accordance with the Overseas Listing Trial Measures or conceal any material facts or falsify any major contents in the filing documents may be subject to administrative penalties such as orders to correct, warnings and fines, and their controlling shareholders, actual controllers, directly responsible persons in charge and other directly responsible persons may also be subject to administrative penalties such as warnings and fines.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provisions on Confidentiality and Archives Administration**"), which became effective on March 31, 2023. Pursuant to the Provisions on Confidentiality and Archives Administration, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant laws and regulations.

INDIA

Below sets out a summary of certain aspects of India laws, regulations and policies relevant to our business operations.

FOREIGN EXCHANGE AND INTERNATIONAL TRADE LAWS

The Foreign Trade (Development and Regulation) Act, 1992 and the Rules Framed thereunder ("FTA")

The FTA authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA, read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an Importer-Exporter code ("**IEC**") number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories.

The Foreign Exchange Management Act, 1999 ("FEMA") and Regulations Framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("**NDI Rules**") and the Consolidated Foreign Direct Investment Policy (the "**Consolidated FDI Policy**"), effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), and any modifications thereto or substitutions thereof, issued from time to time. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments. The NDI Rules were enacted on October 17, 2019, in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual non-resident Indian ("**NRI**"), on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and overseas citizen of India put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. The total holding by each foreign portfolio investor ("**FPI**") or an investor group, shall be less than 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24% of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% shall be called the individual and aggregate limit, respectively. With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEMA NDI Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client norms as specified by Securities and Exchange Board of India ("**SEBI**"); and (iv) such other conditions as may be specified by SEBI from time to time.

Export Promotion Capital Goods Scheme, 2020

The Export Promotion Capital Goods Scheme (the "**EPCG Scheme**") provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of non-fulfillment of prescribed export obligations.

LABOUR AND EMPLOYMENT RELATED REGULATIONS

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Labour Codes

In order to rationalize and reform labour laws in India, the Government of India had framed four labour codes ("**Labour Codes**"), which (barring certain provisions) have been brought into effect, through a notification, from November 21, 2025, namely:

The Code on Wages, 2019

The Code on Wages, 2019, provide for subsumption of four (4) legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It provides for a new definition of 'wages' and minimum wages to be notified for all employees in all industries, based on the categories of employees and/or geographical locations and other conditions of service, which shall be equal to or above the rate of floor wages set by the Central Government, and further mandates fixation of wage period and timely wage payment.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020, subsumes three (3) legislations inter alia the Trade Unions Act, 1926,Industrial Disputes Act, 1947 and the Industrial Employment (Standing Order) Act 1946. The objective of the Industrial Relations Code, 2020, is to promote industrial harmony whilst balancing worker protection with business flexibility.

The Occupational Safety, Health and Working Conditions Code, 2020 ("Occupational Safety Code")

The Occupational Safety Code provides for definitions of key terms including 'contract labour', 'contractor', 'principal employer' and 'establishment', annual leave with wages and prescription of working hours and rest intervals, special provisions on employment of women in night shifts, and prescription of health and safety obligations and provision of welfare facilities.

The Code on Social Security, 2020

The Code on Social Security, 2020 provides for a common registration to be obtained, social security provisions including on provident fund, pension, and employees' deposit-linked insurance, employees' state insurance coverage and benefits including sickness benefit, disablement benefit, etc., compensation to be paid to employees for workplace injuries/occupational diseases, maternity benefits, gratuity payments including to fixed-term employees, and prescription of social security benefits including for building and other construction workers, unorganised workers, gig workers and platform workers.

FACTORY OPERATION AND ENVIRONMENTAL LEGISLATIONS

The Industries (Development and Regulation) Act, 1951, as amended ("IDR Act")

The IDR Act provides for the development and regulation of certain industries such as the manufacturing industry. The owner of the industrial undertaking is required to register and have a valid registration certificate and must have a prior license for producing or manufacturing new articles. An industrial undertaking means any such manufacturing process which is being carried on with the aid of power having 50 or more workers or without the aid of power having 100 or more workers (on any day of the preceding 12 months).

Environmental Legislations

The Environment Protection Act, 1986 (the "EP Act") and Environment Protection Rules, 1986 (the "EP Rules") read with the Environmental Impact Assessment Notification, 2006 (the "EIA Notification")

The EP Act provided that the Central Government has been given the power to take all proper measures for the purpose of protecting and improving the quality of the environment and to prevent, control and abate environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes, prohibitions and restrictions on the location of industries as well as prohibitions and restrictions on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, and the establishment of the Central Pollution Control Board, as well as State Pollution Control Boards ("**State PCB**"), to implement its provisions, including to lay down standards of treatment of sewage and trade effluents. The Water Act also provides that the consent of the State PCB must be obtained prior to establishing any industry, operation or process, or opening of any new outlets, which are likely to discharge sewage effluent.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the relevant state pollution control board declare, by notification in the Official Gazette, any area or areas within the state as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

National Environmental Policy (2006) ("NEP")

The NEP, formulated under the Environment (Protection) Act, 1986, aims to ensure environmental protection while fostering economic development. It recognizes that only such development is sustainable which respects ecological constraints and the imperatives of justice. The NEP emphasizes conservation of critical environmental resources, intra-generational and inter-generational equity, and calls for enhancing resources for environmental conservation and management. It provides a framework for regulatory reforms, public participation, and integration of environmental concerns into sectoral policies.

INDUSTRIAL PRODUCT STANDARD AND PRODUCT LIABILITY

The Consumer Protection Act, 2019 ("Consumer Act")

The Consumer Act provides for protection of the interests of consumers, to establish authorities for timely and effective administration and settlement of consumers' disputes and to provide simpler and quicker access to redress consumer grievances. The Consumer Act provides for establishment of the Central Consumer Protection Council to render advice on promotion and protection of consumers' rights and the Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers, and to protect, promote and enforce the rights of the consumers. The Consumer Act also provides for the establishment of the Consumer Disputes Redressal Commissions at the district, state and national level.

The Sale of Goods Act, 1930 ("Sale of Goods Act")

The Sale of Goods Act governs contracts pertaining to the sale of goods. Such contracts are also subject to the overarching principles of contract law as set out in the Indian Contract Act, 1872. However, contracts for the sale of goods exhibit certain distinct features, such as, including the transfer of ownership, delivery of goods, the rights and obligations of the buyer and seller, remedies available for breach of contract, and the conditions and warranties implied in a contract for the sale of goods, etc., which are specifically addressed under the provisions of the Sale of Goods Act.

LAWS RELATING TO TAXATION

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the State Government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. the Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), the Union Territory Goods and Services Act, 2017 ("**UTGST**"), the Integrated Goods and Services Act, 2017 ("**IGST**"), the Goods and Services tax (Compensation to States) Act, 2017 and various rules made thereunder. Further, the Income Tax Act 1961, as amended by the Finance Act in respective years (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its *Residential Status* and *Type of Income* involved. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies. Under the Customs Act, 1962 the Central Government has the power to prohibit either absolutely or subject to such conditions, the import or export of goods of any specified description.

INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services.

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product.