LAWS AND REGULATIONS IN THE PRC

This section sets forth a summary of the major laws and regulations that affect our current business activities in China.

REGULATIONS RELATING TO COMPANY

The establishment, operation and management of companies in the PRC are governed by the Company Law of the People's Republic of China (《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, latest amended on December 29, 2023 and took effect on July 1, 2024.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

Product Quality

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993, latest revised on December 29, 2018, and came into effect on the same date, producers shall be responsible for the quality of the products they produce. The products shall constitute no unreasonable threats to personal safety or safety of property, and possess the intended properties, and the adopted product standards shall be indicated on the products or their package. Any producers that produces substandard products shall be ordered to cease production or sale of the products, and the products may be confiscated and/or a fine may be imposed; the illegal gains, if any, may also be confiscated; if the circumstances are serious, the business license may be revoked; if a crime is constituted, criminal responsibility shall be investigated according to law. If a defect in a product causes physical injury or damage to third party property, the party which was injured or incurred damage may claim compensation against the producer or may claim compensation against the seller.

Product Certification

According to the Administrative Regulations for Compulsory Product Certification (《強制性產品認證管理規定》), which was promulgated by the former General Administration of Quality Supervision, Inspection and Quarantine of the PRC (which merged into the State Administration of Market Regulation) on December 3, 2001, amended on September 29, 2022 and became effective on November 1, 2022, products specified by the state shall not be delivered, sold, imported or used in other business activities until they have been certified (the "**Compulsory Product Certification**") and labeled with China Compulsory Certification mark. According to the Announcement of the State Administration for Market Regulation on the Publication of the Description and Definition Table for the Compulsory Product Certification Catalogue (《市場監管總局關於發佈強制性產品認證目錄描述與界定表的公告》) issued by the State Administration for Market Regulation on August 10, 2023 and became effective on the same date, explosion-proof motors fall within the scope of Compulsory Product Certification.

Safety Mark

According to the Law of the People's Republic of China on Safety in Mines (《中華人民共和國礦山安全法》) promulgated by the SCNPC on November 7, 1992, most recently amended on August 27, 2009 and took effect on the same date, equipment, apparatus, protective gear, and safety testing instruments used in mines with special safety requirements must comply with the national or industry safety standards. According to the Notice of the State Administration of Work Safety on the Implementation of Safety Mark Management for Mining Products Used in Metal and Non-Metallic Mines (《國家安全生產監督管理總局關於金屬與非金屬礦山實施礦用產品安全標誌管理的通知》), which was promulgated by the State Administration of Work Safety on August 3, 2005 and became effective on September 1, 2005, mining products used in metal and non-metallic mines subject to safety mark management include electrical equipment, drainage equipment, lifting and conveying equipment, etc. For safety mark management in mining products with explosive gas (dust) in metal and non-metallic mines, its catalogue shall refer to that of coal mine products. For mining products used in metal and non-metallic mines subject to safety mark management, manufacturers must obtain safety marks before the production and sale of the products.

According to the Safety Regulations for Coal Mines (《煤礦安全規程》) revised by the Ministry of Emergency Management on January 6, 2022, most recently amended on July 7, 2025, and became effective on February 1, 2026, safety marks for coal mine products are required for products used in coal mines subject to safety mark management. According to the Catalogue of Mining Products Subject to Safety Mark Management (《執行安全標誌管理的礦用產品目錄》) issued by the National Mine Safety Administration on September 15, 2022 and became effective on December 10, 2022, explosion-proof electric motors and explosion-proof electric drums (cylinders) have been included in the catalogues of coal mine products and non-coal underground mine products subject to safety mark management.

Explosion-proof Inspection

Pursuant to the Explosive atmospheres – Part 1: General Requirements for Equipment (《爆炸性環境第1部分：設備通用要求》) (the "**General Requirements for Equipment**"), which was a national standard of the PRC promulgated by the State Administration of Market Regulation and National Standardization Administration on October 11, 2021 and became effective on May 1, 2022, electrical equipment trial-manufactured by manufacturers according to the explosion-proof standards for special purposes listed in the General Requirements for Equipment shall be submitted to the quality supervision and inspection institution authorized by the state to undergo explosion-proof inspection under the requirements of corresponding standards, and an explosion-proof certificate is required.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY, ENVIRONMENT PROTECTION AND FIRE SAFETY

Production Safety

According to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) (the "**Production Safety Law**") promulgated by the SCNPC on June 29, 2002, latest amended on June 10, 2021 and became effective on September 1, 2021, all enterprises engaged in production and business activities in China shall strengthen production safety management, establish and improve a production safety responsibility system for all employees and the internal rules and regulations for production safety, and improve working conditions, etc. Violation of the Production Safety Law may result in administrative penalties such as fines, suspension of operation and revocation of license.

Environmental Protection

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002, latest amended on December 29, 2018 and came into force on the same date, 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 promulgated by the State Council on November 29, 1998, latest amended on July 16, 2017 and came into force 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 by the former Ministry of Environmental Protection on November 20, 2017 and came into force on the same date, the PRC implements an environmental impact assessment system for construction projects. Prior to the commencement of a construction project, the construction entity must submit an environmental impact assessment documents, for approval, or for record. Furthermore, upon completion of a construction project for which an environmental impact assessment documents have been prepared, the construction entity shall undergo acceptance inspection and prepare an acceptance report. Any project that has not been accepted or has failed acceptance inspection is prohibited from being put into production or use.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC (the "**MEE**") on April 1, 2024 and effective on July 1, 2024 and the Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective on March 1, 2021, enterprises that are included in the category-based administration catalogue of pollutant discharge licensing for stationary pollution sources issued by the MEE are required to apply for and obtain a pollutant discharge permit within the prescribed time limit; those who have not obtained the pollutant discharge permits shall not discharge pollutants.

According to the Catalogue of Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the MEE on December 20, 2019 and implemented on the same date, pollutant discharge entities with minimal pollutant generation, discharge volume and environmental impact shall be subject to discharge registration management.

Fire Safety

Pursuant to the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and most recently revised on April 29, 2021 and implemented on the same date, the fire protection design and construction of construction projects must comply with the national fire protection technical standards for construction projects. According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, latest amended on August 21, 2023 and implemented on October 30, 2023, special construction projects shall undergo fire protection design review and fire protection final acceptance, construction projects other than such special construction projects shall file fire protection final acceptance of the projects with the competent authorities.

LAWS AND REGULATIONS RELATING TO REAL ESTATE LEASING

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration. Where registration and filing are not completed within the prescribed time limit in accordance with the regulations, they may be ordered to make corrections within a specified time limit by the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC; where correction is not made within the stipulated period, a fine may be imposed.

Pursuant to the relevant provisions of the Civil Code of the People's Republic of China (《中華人民共和國民法典》) which was promulgated by the National People's Congress on May 28, 2020 and came into effect on January 1, 2021, the parties' failure to proceed with the registration and filing procedures for the lease contract as required under the laws and administrative regulations does not affect the validity of the contract.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and came into effect on June 1, 2021, and its implementation rules, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the terms of invention patents, utility model patents and design patents are twenty years, ten years and fifteen years, respectively.

According to the Trademark Law of the People's Republic of China (《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 came into effect on November 1, 2019, and its implementation rules, trademarks approved by and registered with the Trademark Office are registered trademarks. The valid period of a registered trademark is ten years, commencing from the date of the approval of registration. If the term of validity of a registered trademark expires and the registrant intends to continue to use it, the trademark registrant is required to apply for renewal within twelve months before the expiry date.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013 and effective on March 1, 2013, the software copyright owner may go through the registration formalities with the software registration authority recognized by the State Council's copyright administrative department.

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, last amended on June 27, 2025 and came into effect on October 15, 2025, the term "trade secrets" refers to technical information, business information and other commercial information that is not known to the public, has commercial value and for which the right holder has taken corresponding confidentiality measures. Where any party infringes upon trade secrets of the right holder, regulatory authorities may order the cessation of any illegal activities, confiscate the illegal gains and impose fine on the infringing party.

LAWS AND REGULATIONS RELATING TO DATA PROTECTION AND CYBER SECURITY

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016, which was latest amended on October 28, 2025 and came into effect on January 1, 2026, the PRC has implemented a hierarchical network security protection system, and network operators shall formulate an internal security management system, and adopt technical measures and other necessary measures to protect the security of the network and stable operation.

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, the use of the Internet and other information networks to carry out data processing activities shall perform the data security protection obligations on the basis of the network security level protection system. The processors of important data shall, in accordance with relevant provisions, carry out regular risk assessments of their data processing activities and submit risk assessment reports to the competent authorities.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) which was jointly promulgated by the Cyberspace Administration of China and other departments on November 16, 2021 and came into effect on February 15, 2022, a network platform operator with personal information of more than 1 million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

Pursuant to the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) which was promulgated by the Cyberspace Administration of China on July 7, 2022 and came into effect on September 1, 2022, to provide data abroad under circumstances specified in the Measures, a data processor shall declare security assessment for its outbound data transfer to the national cyberspace administration through the local cyberspace administration at the provincial level.

LAWS AND REGULATIONS RELATING TO LABOR CONTRACTS, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Contract

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, last amended on December 29, 2018 and came into effect on the same date, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and came into effect on July 1, 2013 and its implementing rules, the labor relationship between an employer and an employee must be established in written form.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, which was amended on December 29, 2018 and came into effect on the same date, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) which was promulgated by the State Council on January 22, 1999 and latest amended on March 24, 2019 and came into effect on the same date, the employer shall contribute to social insurance plans covering basic pension insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, last amended on March 24, 2019 and came into effect on the same date, enterprises in the PRC are required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner.

Any employer that fails to make contributions to above-mentioned social insurance and housing provident fund as required may be ordered to pay the required contributions within a prescribed time limit. If the employer still fails to make the relevant contributions within the prescribed time, a fine may be imposed, and for the overdue contribution, the people's court may enforce collection.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

Foreign Investment

The investment activities of foreign investors in China are primarily regulated by the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which was promulgated by the National People's Congress on March 15, 2019 and effective on January 1, 2020, together with its supporting implementation regulations, as well as the Special Administrative Measures for the Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) (the "**Negative List**") promulgated and amended from time to time by the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") and the National Development and Reform Commission of the People's Republic of China (the "**NDRC**"). Unless otherwise provided by laws relating to foreign investment, the PRC Company Law also applies to foreign-invested companies.

The Foreign Investment Law and the Implementation 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》), promulgated by the State Council on December 26, 2019 and effective on January 1, 2020, have established a basic legal framework for foreign investment access, promotion, protection, and management. The Negative List, by way of legislation, sets out the restrictive measures in a unified manner. Industries beyond the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Overseas Investment

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and the commerce authorities at the provincial level implement filing or approval administration, respectively, depending on the different circumstances of enterprises' overseas investments. Overseas investments by enterprises involving sensitive countries and regions or sensitive industries are subject to approval administration. The overseas investments under other circumstances shall be subject to filing administration.

According to the Administrative Measures for Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, the domestic enterprises in the PRC (the "**Investor Entities**") undertaking overseas investment shall implement filing or approval administration, respectively, depending on the different circumstances of enterprises' overseas investments. Overseas investments by enterprises involving sensitive countries and regions or sensitive industries are subject to approval administration. The overseas investments under other circumstances shall be subject to filing administration.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) which was promulgated by the SCNPC on May 12, 1994, latest amended on December 30, 2022 and came into effect on the same date, and the Regulations of the People's Republic of China 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》)which was promulgated by the State Council of the PRC on December 10, 2001, last amended on March 10, 2024 and became effective on May 1, 2024, the State Council shall allow free import and export of goods, and except for the goods which is explicitly prohibited or restricted by laws or administrative regulations.

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》) which was promulgated by the SCNPC on January 22, 1987, latest amended on April 29, 2021 and came into effect on the same date, the consignees and consignors of import and export of goods and customs declaration enterprises shall, when handling customs declaration formalities, file with the customs in accordance with the law.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

According to the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the China Securities Regulatory Commission (the "**CSRC**") on February 17, 2023 and implemented on March 31, 2023, the companies in Chinese Mainland that directly or indirectly issue securities or list in overseas markets must file with the CSRC within three working days after submitting the listing application documents to the regulatory authority of the place of the proposed listing.

According to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) which was promulgated by the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China on February 24, 2023 and took effect on March 31, 2023, 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 entity, documents and materials involving state secrets or 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 according to the relevant provisions of the state.