REGULATORY OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section summarizes the principal PRC laws, rules and regulations which relate to our business and operations in the PRC.

REGULATIONS ON FOREIGN INVESTMENT

Companies established and operating in the PRC shall be subject to the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on 29 December 1993, implemented on 1 July 1994 and was most recently amended on 29 December 2023 and effective from 1 July 2024. The Company Law provides for the establishment, corporate structure, and corporate management of companies, which also applies to foreign-invested enterprises in the PRC. Unless otherwise provided in the PRC foreign investment laws, the provisions in the Company Law shall prevail.

On 15 March 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which came into effect on 1 January 2020. The Implementation Regulations for 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 26 December 2019 and became effective on 1 January 2020. Pursuant to the Foreign Investment Law, foreign investment refers to the investment activity directly or indirectly conducted by a foreign natural person, enterprise or other organization, collectively the "foreign investors". The Implementation Regulations for the Foreign Investment Law of the PRC have introduced the "look-through" principle and further provided that investments made by foreign-invested enterprises in China should also be governed by the Foreign Investment Law and its Implementing Regulations.

Investments in the PRC by foreign investors and foreign-invested enterprises were regulated by the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the "**Negative List**"), which was promulgated by the NDRC and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "**MOFCOM**") jointly on 6 September 2024 and became effective on 1 November 2024, and the Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by the NDRC and the MOFCOM, on 15 December 2025 and became effective on 1 February 2026. Pursuant to the laws and regulations mentioned above, foreign-invested projects are categorized as encouraged, restricted and prohibited. Foreign-invested projects that are not listed in the Negative List are permitted foreign-invested projects.

On 30 December 2019, the MOFCOM and the SAMR issued the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on 1 January 2020, pursuant to which, since 1 January 2020, for carrying out investment activities directly or indirectly within the territory of China, the foreign investors or foreign-invested enterprises shall submit investment information to the competent commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System.

REGULATIONS ON ELECTRIC POWER BUSINESS

Electric Power Market Regulation

In accordance with the Electricity Law of the PRC (《中華人民共和國電力法》), as most recently amended by the NPCSC on 29 December 2018 and came into effect on the same day, this Law is formulated in order to safeguard and promote the development of electric power operations, to protect the legal rights and interests of investors, operators and consumers of electric power and to ensure the safe operation of electric power. Electric power facilities are protected by the State. Any entity or individual is prohibited from endangering the safety of electric power facilities or illegally appropriating or consuming electric energy. Electric power construction projects shall conform to the electric power development plan and the State's electric power industry policies, and shall not utilise power equipment or technologies that have been explicitly eliminated by the State.

General Contracting of Electric Power Engineering Construction

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》, as most recently amended by the NPCSC on 23 April 2019 and implemented thereon, and the Standard for Construction Enterprise Qualifications (《建築業企業資質標準》) and its amendments implemented by the Ministry of Housing and Urban-Rural Development of the PRC (the "**MOHURD**") on 1 January 2015, construction project general contracting projects, including power engineering construction general contracting, shall be undertaken by enterprises that have obtained the corresponding construction general contracting qualification. An enterprise that has obtained a general contracting qualification may undertake all specialised works falling within the scope of the general contracting project it has contracted, or may subcontract specialised works in accordance with the law. Where a specialised work requiring a qualification is sub-contracted, it shall be sub-contracted to an enterprise possessing the corresponding specialised contracting qualification. When sub-contracting labour services, the work shall be subcontracted to an enterprise possessing a construction labour services qualification.

Installation (Repair, Testing) of Electric Power Facilities

According to the Administrative Measures for Licences for Installation (Repair, Testing) of Electric Power Facilities (《承裝(修、試)電力設施許可證管理辦法》) most recently amended by the NDRC on 11April 2025 and effective from 1 July 2025, those engaging in the installation, repair, and testing of electric power facilities within the PRC shall obtain a licence for installation (repair, testing) of electric power facilities in accordance with the provisions of these measures. The installation, repair, and testing of electric power facilities specifically refers to the installation, repair, and testing of power transmission (including step-up substations and outgoing lines or power generation projects), power supply, and power consumption facilities. The aforementioned licences are divided into three categories: installation, repair, and testing.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

Under the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), promulgated and effective on 26 December 1989, and amended on 24 April 2014, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or close down, or even criminal punishment. Any person or entity that pollutes the environment resulting in damage could also be held liable under the Civil Code. In addition, environmental organisations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

Environmental Impact Assessment

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) (the "**Environmental Impact Assessment Law**"), promulgated by the SCNPC on 28 October 2002 and latest amended on 29 December 2018, the State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment.

Permission for Pollutant Discharges

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on 24 January 2021, and effective on 1 March 2021, the Catalogue for the Classified Administration of Pollutant Discharge Permits for Fixed 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 Ministry of Ecology and Environment on 20 December 2019, and effective on the same date, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC on 1 April 2024, came into effect on 1 July 2024, enterprises, institutions, and other producers and operators that are subject to pollutant discharge permit management as stipulated by law shall apply for and obtain a pollutant discharge permit in accordance with the provisions; those that have not obtained a pollutant discharge permit are not allowed to discharge pollutants. Pollutant discharging units with relatively large quantities of pollutant generation or discharge, or with a relatively significant impact on the environment, shall be subject to key management of pollutant discharge permits. Those with relatively small quantities of pollutant generation and discharge, and a relatively minor impact on the environment, shall be subject to simplified management of pollutant discharge permits. Those with very small quantities of pollutant generation and discharge, and a very minor impact on the environment, shall be subject to pollutant discharge registration management.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982, was most recently amended on 23 April 2019 and came into effect on 1 November 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on 3 August 2002, was most recently amended on 29 April 2014 and came into effect on 1 May 2014, registered trademarks in the PRC include trademarks for goods, service trademarks, collective trademarks and certification trademarks. The Trademark Office of the China National Intellectual Property Administration handles trademark registrations and grants a validity period of ten years to registered trademarks, which may be renewed for a further ten years upon request prior to the expiry of the period of validity.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on 12 March 1984, most recently amended on 17 October 2020 and came into effect on 1 June 2021, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on 21 December 1992 and most recently amended on 11 December 2023 and came into effect on 20 January 2024, patents in the PRC fall into three categories: invention patents, utility model patents and design patents. The term of patent protection for invention patents is 20 years, the term of patent protection for utility model patents is 10 years, and the term of patent protection for design patents is 15 years, all commencing from the date of application.

Copyright

Pursuant to the Regulation on the Protection of Computer Software (《計算機軟件保護條例》), which was promulgated by the State Council on 4 June 1991, most recently amended on 30 January 2013 and came into effect on 1 March 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated on 6 April 1992, most recently amended by the National Copyright Administration of China (the "**NCAC**") on 1 July 2004 and came into effect on the same date, the NCAC is responsible for the administration and supervision of software copyright registration in the PRC and recognises the China Copyright Protection Centre ("**CPCC**") as the software registration organisation. The CPCC shall grant registration certificates to computer software copyright applicants which comply with the provisions of the Regulation on the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

Domain Names

According to the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by MIIT on 24 August 2017 and became effective on 1 November 2017, MIIT is responsible for supervision and administration of domain name services in the PRC. Communication administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register". A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for whom the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

Trade Secrets

The PRC Anti-Unfair Competition Law also sets up regulations to protect Trade Secrets. Business Operators shall not engage in any infringements of trade secrets, such as obtaining an obligee's trade secrets by theft, bribery, fraud, intimidation, electronic intrusion or other improper means; disclosing, using, or allowing others to use an obligee's trade secrets obtained by the means mentioned in the preceding paragraph; disclosing, using or allowing others to use an obligee's trade secrets in violation of confidentiality obligations or the obligee's requirements on keeping such trade secrets confidential; or obtaining, disclosing, using or allowing any other party to use an obligee's trade secrets by instigating, tempting or helping any other party to violate the confidentiality obligations or the obligee's requirements on keeping such trade secrets confidential. Where a Business Operator infringes any trade secret, the supervision and inspection authority shall order it to cease the illegal act, confiscate the illegal gains and impose on it a fine of between RMB100,000 and RMB1 million; where the circumstance is serious, the fine shall be between RMB500,000 and RMB5 million.

REGULATIONS ON REAL PROPERTY

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on 25 June 1986, latest amended on 26 August 2019 and became effective on 1 January 2020, the PRC applies a system of control over the purposes of use of land, including land for agriculture, land for construction and unused land. All units and individuals shall use land in strict compliance with the purposes of use defined in the overall plans for land utilization. Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration and the legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on 24 November 2014, which was amended on 24 March 2019 and 10 March 2024, became effective on 10 May 2024, and the Implementing 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 1 January 2016, which was amended on 16 July 2019 and 9 May 2024, provide that, among other things, the state implements a uniform real estate registration system and the registration of real estate shall follow the principles of strict administration, stability, continuity and convenience for the masses.

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》) promulgated by the SCNPC on 5 July 1994, and last amended on 26 August 2019, and took effect on 1 January 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental prices, rental and repair liabilities, and other rights and obligations of both parties. In addition, pursuant to the Law on Administration of Urban Real Estate of the PRC and 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 1 December 2010, and became effective on 1 February 2011, both lessor and lessee are required to register the lease within 30 days from execution of the property lease contract with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

Pursuant to the PRC Civil Code, the lessee may sublease the leased premises to a third-party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if neither the lessor nor the lessee has completed the registration and filing procedures for the lease contract in accordance with laws and administrative regulations, it shall not affect the validity of the contract.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC on 5 July 1994, last amended and came into effect on 29 December 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was promulgated by the SCNPC on 29 June 2007 and became effective on 1 January 2008, and then amended on 28 December 2012 and became effective on 1 July 2013, the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), promulgated by the State Council on 18 September 2008 and came into effect on the same day, and the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《最高法院關於審理勞動爭議案件適用法律若干問題的解釋(二)》) (the "**Interpretation II of the Supreme People's Court on Labor Dispute Cases**"), which was promulgated by the Supreme People's Court on 1 August 2025 and came into effect on 1 September 2025. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Law and the Labor Contract Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was amended on 29 December 2018, and other relevant PRC laws and regulations, the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who fail to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Interpretation II of the Supreme People's Court on Labor Dispute Cases, which took effect on 1 September 2025, any agreement between an employer and employee, or any employee commitment to the employer, purporting to waive social insurance contributions shall be deemed invalid by the people's courts. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee terminates the labor contract and claims economic compensation under Article 38(3) of the Labor Contract Law, the people's courts shall uphold such claims.

Housing Provident Fund

According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), which was effective on 3 April 1999 and last amended on 24 March 2019, employers shall undertake to register with the competent administrative center of housing provident fund, or the Center, and upon the verification by the Center, open accounts of housing provident funds for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident funds for their employees in full amount. An enterprise that fails to make housing fund contributions in full may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline by the housing provident fund management center; otherwise, an application may be made to a local court for compulsory enforcement.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

Securities Laws and Regulations

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

Overseas Listings

On 17 February 2023, the CSRC released the Trial Administrative Measures 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》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on 31 March 2023. The Overseas Listing Trial Measures and Supporting Guidelines will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic enterprises' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic enterprises' securities by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

REGULATIONS ON FULL CIRCULATION OF H SHARE

In accordance with the Guidelines for the Application by H-share Companies for "Full Circulation" of Unlisted Shares (《H股公司境內未上市股份申請"全流通"業務指引》) which was promulgated by the CSRC on 14 November 2019 and came into effect on the same date, which was partly revised on 10 August 2023, the term "full circulation" means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares issued domestically after listing abroad and unlisted shares held by foreign shareholders) of H-share companies on the Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for "full circulation". After the domestically unlisted shares are listed for circulation on the Stock Exchange, they shall not be transferred back to the Mainland China. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of registration of the shares involved in the application to China Securities Depository and Clearing Co., Ltd. (the "**CSDC**").

In accordance with the Guidelines for H-shares "Full Circulation" Business of China Securities Depository and Clearing Co., Ltd Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) which was promulgated by CSDC Shenzhen Branch on 20 September 2024 and came into effect on 23 September 2024, and was latest amended on 27 June 2025 and became effective on 30 June 2025, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. According to the guidelines, the H-share companies shall transfer the full amount of cash dividends in RMB to the bank account of the CSDC Shenzhen Branch before 16:00 on the distribution date of cash dividends as published in the announcement. The CSDC Shenzhen Branch shall complete clearing of the dividend funds within three H-share "full circulation" working days after the distribution date of cash dividends as published in the announcement, and then the dividend funds will be released to domestic securities companies, and the domestic securities companies will release the dividend funds to the investors.

According to the Overseas Listing Trial Measures, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed on an overseas stock exchange, shall comply with the relevant regulations of the CSRC and file with the CSRC.