
REGULATORY OVERVIEW

OVERVIEW OF PRC LAWS AND REGULATIONS

Our business activities in the PRC are supervised and regulated by the current laws, regulations, rules and other regulatory documents of the PRC. The following sets forth a summary of the major laws and regulations applicable to our business, including business supervision, corporate governance and risk control, as well as other necessary general regulations. The information provided in this section shall not be construed as a comprehensive summary of applicable laws and regulations, nor a detailed description of all the laws and regulations which we are required to comply with.

INDUSTRIAL POLICIES

On January 25, 2017, the National Development and Reform Commission (“NDRC”) issued the Guiding Catalogue of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》), which clarifies eight industries in five major areas, further subdivided into 174 sub-directions under 40 key directions and nearly 4,000 subdivided products and services, and metallic functional powder materials and soft magnetic composites are included in the catalogue.

According to the Guiding Catalogue for Industrial Structure Adjustment (2024 Edition) (《產業結構調整指導目錄(2024年本)》) issued by the NDRC on December 27, 2023, manufacturing of new electronic components such as chip components, power electronic devices, integrated passive components are included in the encouraged category.

According to the Circular of the General Office of the State Council on Deepening Institutional Reform of the Electrical and Electronics Industry (《國務院辦公廳關於深化電子電器行業管理制度改革的意見》) promulgated by General Office of the State Council on September 17, 2022 and effected on the same day, to further optimize the management system of the electronic and electrical appliance industry, and promote the high-quality development of the industry, efforts should be made to coordinate the relevant policy resources and increase support for the upgrading and key technology breakthroughs in the basic electronic industry (including the manufacturing of electronic materials, electronic components, special electronic equipment and electronic measuring instruments, etc.).

COMPANY LAW AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by the *Company Law of the PRC* (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) in December 1993 and further amended in December 1999, August 2004, October 2005, December 2013, October 2018 and December 2023, respectively. The latest amendment has been effective since 1 July 2024. According to the Company Law of the PRC, companies are generally classified into two categories: limited liability companies and joint stock limited companies. A joint stock limited company is a legal enterprise incorporated in the PRC pursuant to the Company Law of the PRC. It owns independent legal property and enjoys the right to such property. Its registered capital is divided into shares of equal par value. The company shall be liable for its debts to the extent of all its assets. The shareholders of the company shall be liable for the company to the extent of the shares subscribed for by them.

The *Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》), which was promulgated on 15 March 2019 and came into effect on 1 January 2020, sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the “foreign investors”) shall not invest in any sector forbidden by the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of treating domestic investments and foreign investments equally. It, together with its implementation rules, also sets

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forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system where foreign investors or foreign-funded enterprises shall submit investment information to the competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

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

According to the *Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated on 6 September 2024, a domestic enterprise engaged in business in a field in which investment is prohibited by the Negative List may offer shares and be listed for trading overseas, subject to the examination and approval of the appropriate department of the state; an overseas investor shall not participate in the operations and management of the enterprise, and its stake shall be subject to the relevant provisions on the administration of domestic securities investment by overseas investors.

FOREIGN EXCHANGE

Pursuant to the principal regulations governing foreign currency exchange in PRC are the *Foreign Exchange Control Regulations of the PRC* (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January 1996 and last amended and effective on 5 August 2008, the foreign exchange management matters in the PRC may be divided into current account items (including trade-related receipts and payments, and interest and dividend payments) and capital account items (including direct equity investment, loans and divestment).

On 10 April 2020, the State Administration of Foreign Exchange (the “SAFE”) issued and implemented the *Notice on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business* (《關於優化外匯管理支持涉外業務發展的通知》), which stipulates that eligible enterprises are allowed to make domestic payments by using their capital, foreign debts and overseas listing, without prior provision of proof materials for veracity to the bank for each transaction, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts.

On 4 December 2023, the SAFE issued and implemented the *Notice on Further Deepening Reforms to Facilitate Cross-border Trade and Investment* (《關於進一步深化改革促進跨境貿易投資便利化的通知》), which provides that the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic parties, as well as the foreign exchange funds raised by domestic enterprises through overseas listing, may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

Pursuant to the *Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas* (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was promulgated on 24 December 2025 and effective on 1 April 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration by presenting prescribed materials.

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OUTBOUND DIRECT INVESTMENT

Pursuant to the *Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions* (《關於發佈境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas direct investment, an enterprise in Chinese Mainland shall apply for foreign exchange registration for its overseas direct investments.

According to the *Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment* (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on February 13, 2015 and came into effect on June 1, 2015, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks and their branches are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the *Administrative Measures on Overseas Investments* (《境外投資管理辦法》) which was issued by the Ministry of Commerce on September 6, 2014 and came into effect on October 6, 2014, the Ministry of Commerce and the provincial commerce authorities shall implement filing and examination and approval respectively based on different circumstances of overseas investments of enterprises. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to examination and approval. Overseas investment under other circumstances shall be subject to filing.

Pursuant to the *Administrative Measures for the Outbound Investment by 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, the investing activities of enterprises in Chinese Mainland such as acquiring overseas ownerships, controlling rights, business management rights and other relevant rights and interests by way of investing with assets or equities or providing financing or guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects that involve sensitive countries and regions or sensitive industries shall be subject to approval by the NDRC, and non-sensitive outbound investment projects shall be subject to filing. For non-sensitive projects of US\$300 million or above invested by local enterprise in Chinese Mainland or carried out by overseas enterprises controlled by them, the investors shall file with the NDRC and non-sensitive outbound investment projects, of which the investment amount of investors in Chinese Mainland is less than US\$300 million (exclusive) shall file with the provincial counterpart of the NDRC.

Pursuant to the *Provisions of the State Council on Outbound Investment* (《國務院關於對外投資的規定》) (“**the Provisions**”) promulgated by the State Council on May 5, 2026 and becoming effective from July 1, 2026, the Provisions strengthen supervision over outbound investment, guiding and supervising investors to standardize their investment and business operations. The Provisions also prohibit any illegal cross-border transfer of goods, technologies, services and data that are prohibited or restricted from export, and clarify the compliance obligations including filing, information reporting and cross-border fund management for outbound investment activities.

INTELLECTUAL PROPERTY

The Issuer’s intellectual property rights primarily consist of trademarks, patents, copyright and domain names. PRC laws governing intellectual property also primarily cover the aforesaid aspects, and the Issuer shall strictly comply therewith.

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Trademark

According to the *Trademark Law of the PRC* (《中華人民共和國商標法》), which was approved by the SCNPC on 23 August 1982 and most recently amended on 26 June 2026 and will come into effect on 1 January 2027, and the *Implementation Regulations for 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 3 August 2002, later amended on 29 April 2014 and effective from 1 May 2014, the Trademark Bureau is responsible for the registration and administration of trademarks throughout the PRC. Trademarks approved and registered by the trademark administrative department of the State Council are registered trademarks; trademark registrants enjoy exclusive rights to use trademarks and are protected by the law. All the registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner pursuant to the provisions within the 12-month period before the expiry date.

Conducts that shall be deemed as an infringement of the exclusive right to use registered trademarks include, but are not limited to, the following: (i) use of a trademark identical to a registered trademark on the same type of commodities without licensing by the trademark registrant; (ii) use of a trademark similar to a registered trademark on the same type of commodities without licensing by the trademark registrant, or use of a trademark identical or similar to the registered trademark on similar commodities which easily causes confusion; (iii) sale of commodities which infringe upon exclusive rights to use registered trademarks; (iv) forgery or unauthorized manufacturing of labels of other's registered trademark or sale of forged or unauthorized labels of other's registered trademark; (v) change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market; (vi) intentionally providing convenience for other's infringement of exclusive rights to use registered trademarks, assisting others in committing such infringement; (vii) causing harm to other's exclusive rights to use registered trademarks. The infringer may be ordered to stop the infringement act immediately and may also be held liable for compensation to the trademark holder. The infringer may also be subject to administrative penalties, which may include fines. Where the case constitutes a criminal offence, criminal liability shall apply.

Patent

According to the *Patent Law of the PRC* (《中華人民共和國專利法》), promulgated by the SCNPC on 12 March 1984, which was latest amended on 17 October 2020 and became effective on 1 June 2021, and *Implementing Rules for the Patent Law of the PRC* (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on 15 June 2001, most recently amended on 11 December 2023 and effective from 20 January 2024, patents are classified into three categories: invention, utility model and design. The duration of patent rights for inventions, utility models and designs shall be 20 years, 10 years and 15 years respectively. The patent administrative department under the State Council shall be responsible for administration of patent matters nationwide, accept and examine patent applications and grant patent rights pursuant to the law. Implementation of a patent without licensing of the patentee shall constitute patent infringement. Following the grant of patent rights for an invention or a utility model, unless otherwise stipulated by law, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, or use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method. Following the grant of design patent rights, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, offer to sell, sell or import the design patented products for manufacturing and business purposes. The infringer may be ordered to cease the infringement act and may be liable for compensation to the patentee. The infringer may also be subject to administrative penalties, which may include fines. Where the act constitutes a criminal offence in accordance with the law, the infringer shall bear criminal liability.

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Copyright

Pursuant to the *Copyright Law of the PRC* (《中華人民共和國著作權法》) promulgated by the SCNPC on 7 September 1990 and most recently amended on 11 November 2020 and effective from 1 June 2021, and the *Implementation Regulations for the Copyright Law of the PRC* (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on 2 August 2002, latest amended on 30 January 2013 and effective on 1 March 2013, Chinese citizens, legal entities or unincorporated organizations without legal personality enjoy copyright in their works, whether published or not, which include but not limit to written works, photographic works and computer software.

Pursuant to the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated by the State Council on 4 June 1991, latest amended on 30 January 2013 and effective on 1 March 2013, Chinese residents, legal entities or other organizations shall be entitled to the copyright of the software they developed, whether the software is released publicly or not. The protection period for software copyright of legal entities shall be 50 years, concluding on 31 December of the 50th year after the software’s initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive the protection of these Regulations.

Domain Names

According to *Measures for the Administration of Internet Domain Names* (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology (the “MIIT”) on 24 August 2017 and effective on 1 November 2017, the MIIT shall implement supervision and administration over domain name services nationwide. No organization or individual shall hinder secured and stable operation of the Internet Domain Name System.

LABOUR AND SOCIAL WELFARE

Labor

According to the *Labor Law of the PRC* (《中華人民共和國勞動法》), which was first promulgated by the SCNPC on 5 July 1994, most recently amended and effective on 29 December 2018, a written labor contract shall be concluded for establishment of work relationships. Wages paid by an employer to its workers shall not be less than the local minimum wage standards. An employer must establish a sound labor safety and hygiene system to prevent accidents during work and reduce occupational hazards.

According to the *Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, amended on 28 December 2012 and became effective on 1 July 2013, labor contracts include fixed-term labor contracts, non-fixed-term labor contracts, and labor contracts whose term is based on the completion of certain work tasks. The employers shall pay to the workers in a timely and full manner in accordance with the stipulations of the labor contract and State provisions.

Social Insurance

The PRC social insurance system is mainly governed by the *Social Insurance Law of the PRC* (《中華人民共和國社會保險法》), promulgated by the SCNPC on 28 October 2010 and latest amended and effective on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance.

According to the *Interim Regulation 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 on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance agency and pay or withhold relevant social insurance for

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or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to remedy the non-compliance, pay the required contributions within a set time and pay a late payment surcharge.

According to the Article 19 (2) of the *Supreme People’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)》), which promulgated on July 31, 2025 and became effective on September 1, 2025, 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 the PRC Labor Contract Law, the People’s Court shall support such claims in accordance with the law.

Housing Provident Fund

In accordance with the *Regulations on the Administration of Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999, latest amended and effective on 24 March 2019, enterprises must register with the housing provident fund management center and open bank accounts for depositing employees’ housing provident fund. Employers shall pay and deposit housing provident funds on schedule and in full. Where an entity fails to pay or underpays the housing provident fund within the prescribed time, the housing provident fund management center shall order it to make full payment within a specified time and may apply to the people’s court for compulsory enforcement.

LAND AND REAL ESTATES

Land Use Rights and House Ownership

Pursuant to the *Land Administration Law of the PRC* (《中華人民共和國土地管理法》), which was promulgated on 25 June 1986 and was revised on 29 December 1988, 29 August 1998, 28 August 2004 and 26 August 2019, respectively, and the *Regulations on the Implementation of the Land Administration Law of the PRC* (《中華人民共和國土地管理法實施條例》), which was promulgated on 27 December 1998 and was revised on 8 January 2011, 29 July 2014 and 2 July 2021, respectively, land in the PRC is either state-owned or collectively-owned. Lawfully registered land ownership and land use rights are protected by law.

Pursuant to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》), and the *Interim Regulation on Real Estate Registration* (《不動產登記暫行條例》) promulgated by the State Council on 10 March 2014, amended twice in 2019 and 2024, and effective on 1 May 2024, the State implements a unified real estate registration system. Where the land use right is obtained by way of assignment or allocation, registration formalities shall be completed with the land administration authorities of People’s Government of county level and above; upon verification by the land administration authority of the People’s Government, a land use right certificate shall be issued by the Government. Where a building is constructed on land legally obtained for real estate development, registration shall be applied for with the real estate administrative department of the local people’s government at or above the county level by presenting the land use right certificate, which shall verify the application and issue the ownership certificate therefor.

Leasing Properties

Pursuant to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》), in the lease of a house, the lessor and the lessee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the lease contract with the department of housing administration for the record. Pursuant to the *Administrative Measures on 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 entered into force on February

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1, 2011, the parties to a commodity house lease registration with the competent construction (real-estate) departments of the municipalities directly under the lease is executed. If a party to a housing lease fails to register the housing lease for the record, the competent construction (real estate) departments of the municipalities directly under the central government, cities or counties shall order the party to make corrections within a prescribed time limit; and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on entities which fail to rectify within the specified time limit.

According to *Civil Code of the PRC* (《中華人民共和國民法典》) which took effect on 1 January 2021, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee’s possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

TAXATION

Enterprise Income Tax

According to the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended and effective on 29 December 2018, and the *Implementation Regulations for 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 was promulgated by the State Council and was latest amended on 6 December 2024, a resident enterprise refers to an enterprise established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC, while a non-resident enterprise refers to an enterprise established in accordance with any laws of foreign countries (regions) with no actual management entity within the PRC but have establishments or premises in the PRC, or with no establishments or premises in the PRC but whose income is derived from the PRC. According to the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed on both non-resident enterprises and resident enterprises, except where tax incentives are granted to special industries and projects. The high-tech enterprises that need full support from the PRC’s government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

According to the *EIT Law and the Administrative Measures on the Recognition of High and New Technology Enterprise* (《高新技術企業認定管理辦法》), which was jointly promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on 14 April 2008, amended on 29 January 2016 and came into effect on 1 January 2016, a high and new technology enterprise recognized by the relevant governmental authorities may enjoy a preferential enterprise income tax rate of 15% from the year it obtains the certificate of the high and new technology enterprise and the qualification of a high and new technology enterprise shall be valid for three years from the issue date of the certificate of a high and new technology enterprise.

Value-added Tax

Pursuant to the *Value-added Tax Law of the PRC* (《中華人民共和國增值稅法》), which was promulgated by the SCNPC in 2024 and effective on 1 January 2026, and the *Implementation Rules for the Provisional Regulations the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on 28 October 2011 and effective from 1 November 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the VAT.

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Dividend Withholding Tax

According to the *Treaty on the Avoidance of Double Taxation and Tax Evasion between Chinese Mainland and Hong Kong* (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC Government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. In respect of the dividends paid by a PRC resident enterprise to a Hong Kong resident, the withholding tax shall not exceed 5% of the total dividends if the payee beneficially owns 25% or more interest in the payor; otherwise, such withholding tax shall not exceed 10% of the total dividends.

PRODUCT QUALITY

According to the *Product Quality Law of the PRC* (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on 22 February 1993 and amended on 8 July 2000, 27 August 2009 and 29 December 2018, respectively, all production and sales activities within the PRC must comply with this Law. Producers and sellers shall bear the responsibility for product quality in accordance with the provisions of this Law. The responsibilities and obligations of producers for product quality include: (i) they shall be responsible for the quality of the products they produce; (ii) the labels on the products or their packaging shall be true; (iii) they shall not produce products that have been ordered to be eliminated by the PRC, shall not sell products that have been ordered to be eliminated and discontinued, and shall not sell products that have become invalid or deteriorated; (iv) they shall not forge the place of production, and shall not forge or fraudulently use the name or address of the factories of other manufacturers; and (v) they shall not forge or fraudulently use the certification mark and other product quality marks; (vi) adulteration, using fake products as genuine products, sub-standard products as good products, sub-standard products as qualified products are not allowed; and (vii) they shall make sure that the packaging for products that are fragile, flammable, explosive, highly toxic, corrosive or radioactive, cannot be inverted during storage and transport, or have other special requirements, must meet the corresponding requirements, and that there is a warning sign or warning note indicating the precautions to be taken for storage and transport. Producers who are in violation of the above responsibilities and obligations shall be liable for civil damages. The relevant authorities may order the production to stop, confiscate the illegal products, impose a fine and confiscate the illegal proceeds (if any). In serious cases, the business license will be revoked; in case of crime, criminal liability will be investigated according to the law.

ENVIRONMENTAL PROTECTION

Environmental Protection, Impact Assessment and Acceptance

Pursuant to the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), which was promulgated on 26 December 1989 and last amended on 24 April 2014, 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》) amended by the SCNPC and came into effect on 29 December 2018, the *Regulations on the Environmental Protection of Construction Projects* (《建設項目環境保護管理條例》) amended by the State Council on 16 July 2017 and effective on October 1, 2017, and the *Interim Measures for the Acceptance Examination of Environmental Protection Facilities of 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 and came into effect on November 20, 2017, enterprises planning for construction projects shall provide environmental impact reports, environmental impact statements and environmental impact registration forms relating to such projects. The environmental impact reports and environmental impact statements must be approved by the competent environmental protection authority prior to the commencement of any construction work, and the environmental impact registration forms must be filed with the said authority. Enterprises that are required to submit an environmental impact report and an environmental impact statement shall be responsible for the examination and acceptance of the environmental protection facilities upon the completion of the construction project. Construction projects shall not be officially put into production or use until their associated

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environmental protection facilities have passed acceptance inspections. The relevant regulatory authorities have the power to carry out inspections and supervise the implementation of these facilities.

Enterprises and other producers that discharge pollutants shall take measures to prevent and control the environmental pollution and harm caused by the waste gas, wastewater, waste residue and dust generated during production, construction or other activities. Facilities for the prevention and control of pollution in a construction project shall be designed, constructed and put into operation simultaneously with the main work. The pollution prevention facilities shall comply with the requirements of the approved environmental impact assessment documents and shall not be dismantled or left idle without authorization.

Pollutant Control

Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021 provided that, enterprises, public institutions or any other producers and operators which are subject to the administration of permitting of pollutant discharges under the law shall apply for pollutant discharge permits under the provisions of this Regulation; those pollutant-discharging entities which have not obtained pollutant discharge permits shall not be allowed to discharge pollutants. *Measures for Pollutant Discharge Permitting Administration* (《排污許可管理辦法》), which was promulgated by the Ministry of Ecological Environment on April 1, 2024 and effective on July 1, 2024, prescribes the specific measures for application, approval and implementation of pollutant discharge permits, as well as the supervision and administration relating to pollutant discharge permits and other activities.

According to the *Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019)* (《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 came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

According to the *Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation)* (《固定污染源排污登記工作指南(試行)》) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

LAWS AND REGULATIONS RELATING TO WORK SAFETY

According to the *Work Safety Law of the PRC* (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002 and was latest amended on June 10, 2021, entities that engage in production and business operation activities in PRC shall set up and perfect the responsibility system for work safety, improve the conditions for work safety, strengthen the education and training on work safety for employees, provide articles of labor protection that meet the national standards or industrial standard for their employees. In addition, the production and business operation entities shall report the major hazard sources and related safety measures and emergency measures to the emergency management department and other relevant departments for the record and formulate a safety risk rating control system and take corresponding control measures.

REGULATORY OVERVIEW

Pursuant to the *Regulations on the Reporting, Investigation and Handling of Work Safety Accidents* (《生產安全事故報告和調查處理條例》), issued by the State Council on 9 April 2007 and effective on 1 June 2007, work safety accidents that cause personal injuries or deaths or direct economic losses shall be generally categorized as follow:

- (i) Particularly significant accidents shall refer to accidents that cause more than 30 deaths, or serious injuries of more than 100 people (including acute industrial poisoning, hereinafter the same), or direct economic losses of more than RMB100 million;
- (ii) Significant accidents shall refer to accidents that cause more than ten deaths but less than 30 deaths, or serious injuries of more than 50 people but less than 100 people, or direct economic losses of more than RMB50 million but less than RMB100 million;
- (iii) Relatively significant accidents shall refer to accidents that cause more than three deaths but less than ten deaths, or serious injuries of more than ten people but less than 50 people, or direct economic losses of more than RMB10 million but less than RMB50 million; and
- (iv) General accidents shall refer to accidents that cause less than three deaths, or serious injuries of less than ten people, or direct economic losses of less than RMB10 million.

CUSTOMS

According to the *Foreign Trade Law of the PRC* (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May 1994, latest amended on 27 December 2025 and implemented on 1 March 2026, the PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. The State may, based on the specific reasons as prescribed in the Foreign Trade Law of the PRC, prohibit or restrict the import and export of relevant goods and technologies, or take other necessary measures.

According to the *Customs Law of the PRC* (《中華人民共和國海關法》), which was promulgated by the SCNPC on 22 January 1987 and was last amended and implemented on 29 April 2021, all conveyances, goods and articles entering or leaving the territory shall be subject to customs control, including declaration, examination and supervision. Duties shall be levied accordingly. Unless otherwise exempted or reduced by the laws or regulations, the consignee of import goods, the consignor of export goods and the owner of inward and outward articles shall be the obligatory customs duty payer. A fine may be imposed for acts which violate the regulations on customs control prescribed in the Customs Law of the PRC.

According to 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 came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imports and exports and customs declaration enterprises which have filed record with the Customs pursuant to these Provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualifications and in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators. According to the *Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods* (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and came into effect on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

REGULATORY OVERVIEW

CYBERSECURITY, DATA SECURITY AND PROTECTION OF PERSONAL INFORMATION

Cybersecurity and Data Security

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

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) promulgated on 10 June 2021 and becoming effective on 1 September 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system.

According to the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”) jointly revised and promulgated by the Cyberspace Administration of China and other twelve PRC regulatory authorities on 28 December 2021, and the *Regulations on the Cyber Data Security Management* (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulations**”) promulgated by the State Council on 24 September 2024, which became effective on 1 January 2025, stipulate that the Cyber Data Security Regulations optimize regulations for cross-border network data security management, specifying conditions under which network data processors may provide personal information abroad in accordance with international treaties or agreements. The regulations clarify that data not identified or publicly announced as important data by relevant regions or departments need not undergo cross-border security assessments for important data.

Protection of Personal Information

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**PIPL**”) promulgated by the SCNPC on August 20, 2021 and came into effect on 1 November 2021 aims to protect the rights and interests of personal information, regulate personal information processing activities and promote the reasonable use of personal information. Personal information as defined in the PIPL refers to all kinds of information related to identified or identifiable natural persons recorded electronically or by other means, excluding anonymized information. The PIPL stipulates the circumstances under which personal information processors may process personal information, including but not limited to obtaining the consent of the individual concerned, and where it is necessary for the conclusion and performance of a contract to which the individual concerned is a party. It also sets out certain specific rules regarding the obligations of personal information processors, such as informing individuals of the purposes of processing, the methods of processing, and the obligation of third parties who have access to personal information through joint processing or entrustment.

REGULATORY OVERVIEW

OVERSEAS SECURITIES OFFERING AND LISTINGS

The *Securities Law of the PRC* (《中華人民共和國證券法》) was promulgated by the SCNPC on December 29, 1998, and was last revised on December 28, 2019, coming into effect on March 1, 2020. It comprehensively regulates activities in the securities market of Chinese Mainland, including the issuance and trading of securities, listed companies, securities exchanges, securities firms, acquisitions, and the responsibilities of securities regulatory authorities. The China Securities Regulatory Commission (the “CSRC”) is the securities regulatory body established by the State Council, responsible for the lawful supervision and management of the securities market.

On February 17, 2023, China Securities Regulatory Commission released the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”), which was implemented on March 31, 2023 together with several supporting guidelines (together with the Trial Measures, collectively referred to as the “**New Regulations on Filing**”). Under New Regulations on Filing, an enterprise within the PRC that directly or indirectly issues securities overseas or lists and deals in its securities overseas shall comply with the laws, administrative regulations and relevant national rules on foreign investment, state-owned assets management, industrial supervision, overseas investment, cyber security, and data security etc., and shall not disturb the domestic market order or do harm to national interests, social public interests, and the legitimate rights and interests of domestic investors.

An issuer seeking an overseas initial public offering or listing shall, within 3 working days after submitting the issuance and listing application documents overseas, file a registration with the CSRC and submit the filing report, legal opinions, and other relevant documents, ensuring a true, accurate, and complete description of shareholder information. Once the filing documents are complete and comply with the stipulated requirements, the CSRC will, within 20 working days of receiving such documents, conclude the review procedure and publish the filing results on its official website. If the filing documents are incomplete or do not conform to the stipulated requirements, the CSRC will, within 5 working days of receiving the filing documents, request supplementary materials. The issuer shall provide the additional documents within 30 working days.

On February 24, 2023, the CSRC and other three relevant government authorities jointly published the *Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Archives Rules**”), which became effective from 31 March 2023. The Archives Rules requires that, in relation to the overseas listing activities of domestic enterprises, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with the relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Under the Archives Rules, the “domestic enterprises” refer to the domestic joint stock limited companies listing overseas directly and the domestic operation entities of a non-PRC company listing overseas. According to the Archives Rules, during the course of an overseas offering and listing, if a domestic enterprise needs to provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing subjects, other documents and materials, the disclosure of which will cause adverse impact on the national security or public interests, a domestic enterprise shall strictly go through the corresponding procedures pursuant to the relevant provisions of the State.