

REGULATORY OVERVIEW

The PRC regulations that have a significant impact on our business operations are set out below:

REGULATIONS AND POLICIES RELATING TO THE INDUSTRY

The Implementation Measures for Standardized Management of the Industrial Robotics Industry (《工業機器人行業規範管理實施辦法》) (“**Measures for Standardized Management**” (《規範辦法》)) were issued by the Ministry of Industry and Information Technology (MIIT) in July 2017 and came into effect in August 2017. The latest revised version of the Measures for Standardized Management took effect on August 1, 2024. According to the Measures for Standardized Management, the MIIT adopts announcement-based management for industrial robot enterprises that meet the Standard Conditions of the Industrial Robotics Industry (《工業機器人行業規範條件》) (“**Standard Conditions**” (《規範條件》)). Enterprises may voluntarily apply; The MIIT reviews the application materials submitted by enterprises who apply for inclusion in the announcement, publicly discloses and officially publishes a list of industrial robot enterprises that meet the Standard Conditions, conducts supervision and inspections of these enterprises, and makes adjustments to or revoke announcements as necessary.

The New Generation Artificial Intelligence Development Plan (《新一代人工智能發展規劃》) was issued by the State Council in July 2017. The plan calls for the development of intelligent industrial robots and intelligent service robots to achieve large-scale deployment and entry into international markets; overcoming technical challenges related to core components and specialized sensors of intelligent robots; and improving standards for hardware interfaces, software interface protocols and safe operation for intelligent robots.

The Guiding Opinions of the Ministry of Industry and Information Technology on Promoting the Development of the Industrial Robotics Industry (《工業和信息化部關於推進工業機器人產業發展的指導意見》) were issued in December 2013 by the MIIT. The document calls for the development of industrial robot system integration technologies that meet user needs, host machine design technologies, and key component manufacturing technologies; achieving breakthroughs in a number of core technologies and critical components; improving the reliability and stability of widely used mainstream products; and promoting large-scale demonstration applications of industrial robots in key areas of industrial manufacturing.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”) was revised by the SCNPC on October 17, 2020 and came into effect on June 1, 2021. According to the Patent Law, when the invention or utility model patent is granted, unless otherwise stipulated in the Patent Law, without the approval of the patent owner, no entity or person shall implement the relevant patent, that is, manufacture, use, offer to sell, sell or import the patented products for business purposes, or use the patented method, or use, offer to sell, sell or import the products directly obtained with the patented method. Any dispute in connection with such issues shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the patent owner or the relevant stakeholders may file a lawsuit in the people’s court or turn to the patent administration authorities for handling.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”) revised by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, the registered trademark has a validity period of 10 years starting from the registration date. The trademark registrant enjoys the exclusive right to use the trademark. Any dispute in connection with the activities infringing the registered trademark set out in Article 57 of the Trademark Law shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the trademark registrant or the relevant stakeholders may file lawsuits in the people’s court or turn to the industrial and commercial administrative department for handling.

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Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) as promulgated on May 30, 1991 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, Internet activities, products disseminated over the Internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC (中華人民共和國國家版權局) (the “NCA”) on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated on June 4, 1991 and last amended on January 30, 2013 by the State Council, the NCA is mainly responsible for the registration and management of software copyright in China; the Copyright Protection Center of China (中國版權保護中心) (the “CPCC”) is recognised as the software registration organisation. The CPCC shall grant certificates of registration to computer software copyright applicants in compliance with the relevant regulations.

Domain Names

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for the supervision and administration of domain name services in the PRC. Communications administrations 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”.

LAWS AND REGULATIONS RELATING TO PRODUCT LIABILITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and last amended on December 29, 2018 by the SCNPC, the sellers shall be responsible for the repair, replacement or return of the product sold if: (1) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (2) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (3) the product sold does not conform to the quality indicated by such means as product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

According to the Civil Code, if products are identified as defective after they have been put into circulation, the manufacturers or the sellers shall take remedial measures such as issuing warnings, alerts, and product recalls in a timely manner.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

The Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) (the “Work Safety Law”), promulgated by the SCNPC on June 29, 2002, was last amended on June 10, 2021 and came into effect on September 1, 2021. Under the Work Safety Law, China enforces a liability and accountability mechanism for production safety accidents. Entities engaged in production and business operations must comply with national or industry work safety standards established in accordance with the law, and provide working conditions that meet the requirements of applicable laws, administrative regulations, and national or industry standards.

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LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant 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》) amended by the Standing Committee of the NPC and came into effect on December 29, 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 July 16, 2017 and came into effect 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. Construction projects shall not be officially put into production or use until their associated environmental protection facilities have passed acceptance inspections. The relevant regulatory authorities have the power to carry out random inspections and supervise the implementation of these facilities.

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 which 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.

LAWS AND REGULATIONS RELATING TO FIRE PREVENTION

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the “**Fire Prevention Law**”), promulgated by the NPC on April 29, 1998 and last amended on April 29, 2021, and the Interim Provisions on Design Inspection and Acceptance of Fire Protection 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 of the PRC on April 1, 2020, amended on August 21, 2023 and took effect on October 30, 2023. Upon completion of construction of a construction project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. For other construction projects, the developer shall complete filing with the housing and urban-rural development authority following the inspection and acceptance, the housing and urban-rural development department shall conduct spot checks.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) taking effect on January 1, 1995 and revised on December 29, 2018 and the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”) taking effect on January 1, 2008 and revised on December 28, 2012, the labor contract shall be signed when the employer establishes labor relationship with the employee. The wage shall not be less than the local minimum wage standard. The employer and the worker shall fully perform the obligations in accordance with the labor contract.

Pursuant to the Labor Contract Law, more stringent requirements are imposed on the use of temporary personnel (known in China as “**dispatched workers**”). Dispatched workers shall enjoy the right to equal pay for equal work as full-time employees. Employing entities are permitted to use dispatched workers only for temporary, auxiliary, or substitute positions.

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According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) issued by the Ministry of Human Resources and Social Security and effective from March 1, 2014, the number of dispatched workers employed by an entity shall not exceed 10% of its total workforce. If the violation is not rectified within the prescribed period, the employing entity may be fined not less than RMB5,000 and not more than RMB10,000 for each dispatched worker exceeding the 10% limit.

Social Insurance and Housing Provident Fund

Under PRC laws, rules and regulations, including the PRC Social Insurance Law (《中華人民共和國社會保險法》) (the “**Social Insurance Law**”) promulgated by the SCNPC in October 2010, which became effective in July 2011 and amended in December 2018, the Interim Measures on the Collection and Payment of Social Security Funds (2019) (《社會保險費徵繳暫行條例(2019修訂)》) promulgated in January 1999 and amended in March 2019, the Regulations on Work Injury Insurance (《工傷保險條例》) issued by the State Council in April 2003 and amended in December 2010, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated by the State Council in January 1999 and the Regulations on the Administration of Housing Accumulation Funds (2019) (《住房公積金管理條例(2019修訂)》) (or referred to the “**Regulations on Housing Fund**”) released by the State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds and implement certain employee benefit plans, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount. According to the Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

On July 31, 2025, the PRC Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”), which took effect on September 1, 2025. According to the Article 19(1) of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, such agreement or undertaking shall be deemed as invalid. 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 court shall support such claims, in which case, the employer remains liable for paying economic compensation (calculated based on the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions.

REGULATIONS RELATING TO REAL ESTATE

According to the Land Administration Law of the PRC (2019) (《中華人民共和國土地管理法(2019修正)》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by the state might be transferred or allotted to construction entities or individuals in accordance with the law.

According to the Civil Code, the establishment, alteration, transfer, or extinguishment of a real property right that is required by laws to be registered becomes effective at the time when it is recorded in the register of real property. Real property ownership certificate is the proof of a right holder’s entitlement to the property right in the real property.

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LAWS AND REGULATIONS RELATING TO THE LEASING OF PROPERTY

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and taking effect on February 1, 2011, within 30 days after the execution of the housing lease contract, parties to the leasing of housing shall handle the registration and filing procedure of the leasing of housing at the departments in charge of construction (real estate) of the governments in the municipalities directly under the Central Government, cities or counties where the leased housing is located. In the event that parties to the leasing of housing fail to handle the registration and filing procedure of the leasing of housing, the department in charge shall order rectification within a time limit. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

LAWS AND REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION

Anti-Monopoly Law

The Anti-Monopoly Law of the People’s Republic of China (《中華人民共和國反壟斷法》) (the “**Anti-Monopoly Law**”) which was promulgated by the SCNPC on August 30, 2007 with effect from August 1, 2008, as revised on June 24, 2022 with effect from August 1, 2022, applies to the monopolistic practices in domestic economic activities in Chinese Mainland as well as the monopolistic practices outside Chinese Mainland which have exclusion or restriction effects on domestic market competition. Operators who violate the Anti-Monopoly Law may be ordered by the enforcement agencies to stop the illegal act, be imposed a fine or be subject to other restrictive measures.

Anti-unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Competition Law**”) which was promulgated by the SCNPC on September 2, 1993 and last amended on June 27, 2025, operators shall comply with the principle of voluntariness, equality, fairness, integrity and abide by laws and business ethics in production and business operations. Under the Anti-Unfair Competition Law, unfair competition refers to an operator who disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the Anti-Unfair Competition Law in their production and business operations. Operators who violate the Anti-Unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in Chinese Mainland is the Foreign Exchange Administration Regulations of the PRC (2008) (《中華人民共和國外匯管理條例(2008修訂)》) (the “**Forex Regulations**”) which was promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 5, 2008. Pursuant to the Forex Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loans or investment in securities outside the PRC unless prior approval of the SAFE or the competent local counterparts is obtained.

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》(銀發[2025]252號)) (Yin Fa [2025] No. 252) promulgated on December 24, 2025 and effective from April 1, 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 at the place of its incorporation for overseas listing registration.

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According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary foreign exchange settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary foreign exchange settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. The discretionary exchange settlement ratio of foreign exchange receipts under the capital account of domestic entities is tentatively set as 100%. The SAFE may adjust the above proportion in due time based on international balance of payments. While discretionary settlement of foreign exchange receipts under the capital account is implemented, domestic institutions may still opt to use their foreign exchange income in accordance with the payment-based settlement system.

LAWS AND REGULATIONS RELATING TO TAXATION

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 on March 16, 2007 with effect from January 1, 2008 and last amended on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (2024) (《中華人民共和國企業所得稅法實施條例(2024修訂)》), which was promulgated by the State Council on December 6, 2007 with effect from January 1, 2008 and amended on December 6, 2024, all domestic enterprises in Chinese Mainland (including foreign-invested enterprises) shall be subject to enterprise income tax (EIT) at the uniform tax rate of 25%, except for the high-tech enterprises certified by the State, which will be subject to enterprise income tax at the reduced rate of 15%, or the qualified small low-profit enterprises, which will enjoy the reduced EIT rate of 20%.

Enterprises that are certified as high-tech enterprises in accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) are entitled to enjoy the preferential EIT rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise.

According to the Announcement on EIT Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》), which was promulgated by the Ministry of Finance of the PRC (中華人民共和國財政部) (the “MOF”), the SAT, the NDRC and the MIIT on December 11, 2020 and came into effect on January 1, 2021, the qualified integrated circuit design, equipment, materials, packaging, testing and software enterprises enjoy the EIT exemption for the first two years starting from the first profit-making year of the enterprise, and a half-rate reduction of the EIT of 25% from the third to the fifth year (that is 12.5%). Key integrated circuit design enterprises and software enterprises encouraged by the State, starting from the first profit-making year of the enterprise, enjoy the EIT exemption for the first five years, and are subject to a reduced EIT rate of 10% in subsequent years.

According to the Announcement of the MOF and the SAT on the Preferential Income Tax Policies for Micro and Small Enterprises and Individually-owned Businesses (《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the MOF and the SAT on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individually-owned Businesses (《財政部、稅務總局關於進一步支援小微企業和個體工商戶發展有關稅費政策的公告》), during the period from January 1, 2023 to December 31, 2027, for the portion of annual taxable income of a small low-profit enterprise not exceeding RMB1 million, 25% of such amount shall be included in its taxable income, with the applicable EIT rate of 20%.

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Value-added tax (“VAT”)

According to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated on December 25, 2024 and effective from January 1, 2026, the value-added tax rates are as follows: except as otherwise stipulated, the tax rate for the sale of goods, processing, repair, and replacement services, tangible movable property leasing services, and imported goods is 13%; for the sale of transportation, postal services, basic telecommunications, construction, real property leasing services, the sale of real property, the transfer of land use rights, or the sale or import of certain goods specified in this Value-Added Tax Law of the PRC, except as otherwise stipulated, the tax rate is 9%; for the sale of services and intangible assets, except as otherwise stipulated, the tax rate is 6%; for exported goods, the tax rate is 0%, unless otherwise stipulated by the State Council; the value-added tax rate applicable under the simplified calculation method is 3%.

According to the Announcement on the Weighted VAT Deduction Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值稅加計抵減政策的公告》) (Announcement [2023] No. 43 of the Ministry of Finance and the State Taxation Administration) promulgated on September 3, 2023 and effective from January 1, 2023, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are permitted to deduct an additional 5% of the current deductible input tax amount from their payable VAT. Advanced manufacturing enterprises refer to accredited high-tech enterprises (including their non-corporate branches) that are general taxpayers in the manufacturing industry.

According to the Ministry of Finance and State Administration of Taxation Notice on the Policy of Additional VAT Deduction for Industrial Machine Tool Enterprises (《財政部稅務總局關於工業母機企業增值稅加計抵減政策的通知》) (Cai Shui [2023] No. 25) promulgated on July 17, 2023 and effective from January 1, 2023, from January 1, 2023 to December 31, 2027, general VAT taxpayers engaged in the production and sale of advanced industrial machine tool hosts, key functional components, and CNC systems shall be permitted to deduct an additional 15% of the current deductible input tax amount from their payable VAT.

REGULATION RELATING TO IMPORTATION AND EXPORTATION OF GOODS

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 General Administration of Customs of the PRC on January 3, 2023 and came into force on the same day, and the Provisions on the 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 on November 19, 2021 and came into force on January 1, 2022, starting from January 3, 2023, where a consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities but is not required to obtain the filing with the foreign trade operator.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The PRC Company Law

The Company Law of the PRC (“Company Law” or “PRC Company Law”) was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively, and the latest revision of which was implemented on July 1, 2024. Under the PRC Company Law, companies are generally classified into limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises.

Foreign Investment Law

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”) promulgated by the NPC came into effect on January 1, 2020. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises which are wholly or partially invested by foreign investors. The organization form, institutional framework and standard of conduct of foreign-invested enterprises shall also be subject to the provisions of the PRC Company Law and other laws. The PRC government

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implements the management system of pre-entry national treatment and the Negative List for foreign investment and has abolished the original approval and filing administration system for the establishment and change of foreign-invested enterprises. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the State. The State accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”) issued by the NDRC and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”) on September 6, 2024 with effect from November 1, 2024. The Negative List lists the special management measures for foreign investment access for the regulated industries, such as equity requirements and senior management requirements. Our business do not fall within any category under the Negative List.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system. The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》), which is jointly promulgated by the MOFCOM and the SAMR on December 30, 2019. According to the Foreign Investment Information Reporting Method, foreign investors who directly or indirectly carry out investment activities in Chinese Mainland shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統); the reporting methods include initial reports, change reports, cancellation reports, and annual reports.

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

The Cybersecurity Law

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which was last amended on October 28, 2025 and came into effect on January 1, 2026. The Cybersecurity Law requires the network operators to fulfill certain functions related to network security protection and to strengthen the management of network information.

On April 13, 2020, thirteen PRC governmental and regulatory authorities, including the Cyberspace Administration of China, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was last amended on December 28, 2021, and came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that, the Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, data processing activities or overseas listing of companies affect or may affect national security.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform.

Pursuant to the aforementioned cybersecurity regulations, network operators within PRC shall fulfill cybersecurity protection obligations when conducting network operation activities and data processing activities, including establishing and improving cybersecurity management systems, adopting technical measures to safeguard cybersecurity and preventing data leakage, tampering or loss.

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Personal Information Protection Law

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “PIPL”) was promulgated by the SCNPC and came into force in November 2021. The PIPL stipulates that the processing of personal information shall follow the principles of lawfulness, legitimacy and necessity. The processor shall fulfill the obligation of notification and obtain consent of the individual, and shall take necessary security measures to protect the security of personal information.

Data Security Law

The Data Security Law of the PRC (《中華人民共和國數據安全法》) was promulgated by the SCNPC and came into force in September 2021. It establishes a data protection system based on category and classification and imposes higher requirements for the protection of important data. Relevant competent authorities have the right to conduct key supervision over important data in fields involving national security, economic operation, public interests, etc.

Regulations on Cross-Border Data Transfer

Pursuant to the PIPL and relevant provisions, where personal information or important data is provided to overseas recipients, corresponding compliance procedures shall be completed based on specific circumstances, such as passing a security assessment organized by the national cyberspace administration, signing a standard contract for outbound transfer of personal information and completing the filing thereof, or obtaining relevant certification, among others.

Regulations on Generative Artificial Intelligence

Special regulation over generative artificial intelligence (“GAI”) services is implemented in PRC. Pursuant to the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) promulgated by the Cyberspace Administration of China, the NDRC, the Ministry of Education, the Ministry of Science and Technology, the MIIT, the Ministry of Public Security, and the National Radio and Television Administration, and effective since August 2023, GAI services refer to services that use generative AI technology to provide the public within PRC with generated content such as text, images, audio and video. Providers offering GAI services to the public within PRC shall fulfill corresponding security management and compliance obligations in accordance with the law. Providers offering GAI services with public opinion attributes or social mobilization capabilities shall conduct security assessments in accordance with relevant national regulations and complete the filing, modification and cancellation of algorithm filings pursuant to the relevant regulations. Service providers shall also manage generated content, take measures to prevent the generation of illegal and harmful information, and ensure the legality of data sources as well as the protection of legitimate rights and interests such as personal information and intellectual property rights. This regulatory regime strengthens the regulation and supervision of the application of generative AI technology by imposing enhanced requirements for security assessments, algorithm governance, and content management.

As advised by our PRC Data Compliance Legal Advisor, during the Track Record Period, our practices in relation to personal information processing, cybersecurity and data protection and the establishment of our internal data compliance system were generally in compliance with the applicable PRC laws and regulations on personal information protection, cybersecurity and data security. No material deficiencies were identified that would materially affect the sustainability of our business. Nevertheless, as the relevant regulatory framework continues to evolve, our future operations may be subject to legal uncertainties. For further details, please refer to the “Risk Factors” section in this Document.

LAWS AND REGULATIONS RELATING TO SANCTIONS

Set out below is a summary of the sanctions regimes imposed by the United States.

OFAC is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. “Primary” U.S. sanctions apply to “U.S.

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persons” or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and “secondary” U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity’s domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies’ foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens (“green card” holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to “block” (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) except pursuant to an authorization or license from OFAC.

OFAC’s comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, Syria, the Crimea, the so-called Luhansk People’s Republic and the Donetsk People’s Republic regions. OFAC also prohibits U.S. persons from dealing with or facilitating dealings with individuals, entities and organizations identified in the SDN List or other sanctions lists. Doing business with individuals or entities from a country or region subject to selective sanctions maintained by OFAC (currently including Russia, Belarus, Venezuela and other countries/regions) will not automatically trigger sanctions risks unless a Sanctioned Target is involved. An entity that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) is also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

OFAC’s limited sanctions programs prohibit U.S. persons from participating in certain types of transactions with sanctioned countries and/or governments, such as the provision of services, financing, investments, exports, and/or imports. Prohibited activities vary from program to program, and they generally are not as broad (for example, they do not target activities with all persons or entities in that country). Currently, the U.S. government maintains limited sanctions programs in relation to countries such as Russia (excluding Crimea) and Belarus, and OFAC has issued a series of general licenses authorizing numerous activities.

As advised by our International Sanctions Legal Advisor, based on the Group’s transactions during the Track Record Period, especially (i) the Group’s business did not involve any comprehensively sanctioned programs, (ii) the Group’s transactions with counterparties in countries subject to limited sanctions programs did not involve any sanctioned sectors or industries, and (iii) the Group’s transactions do not involved any Sanctioned Target. Accordingly, such activities do not give rise to U.S. primary sanctions exposure and do not appear to present material U.S. secondary sanctions risk.

However, in light of the evolving nature of sanctions regulations and the Group’s potential future business expansion, the Group’s operations in countries subject to sanctions programs may give rise to potential sanctions compliance risks. For associated risks, see “Risk Factors — We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions and monetary penalties administered by the United States, the European Union, the United Kingdom, Australia and other relevant sanctions authorities.”

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LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (2014) (《境外投資管理辦法(2014)》) which was issued by the MOFCOM on September 6, 2014 with effect from October 16, 2014, the MOFCOM and the commerce departments at provincial levels shall conduct filing or approval management depending on different circumstances of overseas investments of enterprises. Overseas investments of enterprises involving any sensitive country or region, or any sensitive industry shall be subject to approval management. Overseas investments of enterprises under other circumstances shall be subject to filing management.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the Chinese Mainland (the “Investor”) carrying out overseas investments shall undergo procedures including the approval or filing for an overseas investment project (the “Project(s)”), report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by Investors directly or through overseas enterprises controlled by them shall be subject to approval management. Non-sensitive projects conducted by Investors directly, namely, non-sensitive projects involving Investors’ direct contribution of assets, equity or provision of financing or guarantees, shall be subject to filing management.

According to the Circular of the SAFE on Promulgating the Administrative Provisions on Foreign Exchange of the Overseas Direct Investments of Domestic Institutions (《國家外匯管理局關於發佈境內機構境外直接投資外匯管理規定的通知》) promulgated by the SAFE on July 13, 2009 with effect from August 1, 2009 and the Circular on Issues Relating to Further Simplifying the Direct Investment-related Foreign Exchange Administration (《關於進一步簡化直接投資外匯管理有關問題的通知》) promulgated by the SAFE on February 13, 2015 with effect from June 1, 2015, which was partially repealed on December 30, 2019, Chinese enterprise that has been permitted to make overseas investments shall go through foreign exchange registration procedures for overseas direct investments at local banks where such enterprise was incorporated.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the CSRC 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”) and five supporting guidelines, which came in to effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (1) any PRC enterprise limited by shares; and (2) any offshore enterprise that conducts its business operations primarily in Chinese Mainland and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three working days after its application for overseas listing is submitted.

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

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According to the State Council Provisions on Outbound Investment (《國務院關於對外投資的規定》) with effect from July 1, 2026, if an investor fails to fulfill the approval or record-filing procedures for outbound investment as required, the approval or record-filing authority shall order the investor to rectify the non-compliance, confiscate any illegal gains, and impose a fine of not less than 1‰ but not more than 5‰ of the investment amount. If the investor refuses to rectify, the authority shall order the suspension of the investment activity and the disposal of shares and assets within a specified period, and impose a fine of not less than 5‰ but not more than 10‰ of the investment amount. The directly responsible supervisors and other directly responsible personnel shall each be fined not less than RMB20,000 but not more than RMB50,000. From the effective date of the penalty decision, the relevant competent authorities may refuse to accept any approval or record-filing application submitted by the violating party for a period of three years, or prohibit the violating party from engaging in outbound investment activities for a period of not less than one year but not more than three years.

RELEVANT LAWS AND REGULATIONS IN THE U.S.

U.S. Outbound Investment Security Program

Executive Order 14105, issued on August 9, 2023, introduced a framework to address certain U.S. outbound investments in national security technologies and products in countries of concern. On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued implementing regulations establishing the Outbound Investment Security Program (the “**OISP**”), which became effective on January 2, 2025.

Under the OISP framework, certain outbound investments by “U.S. persons” involving “covered foreign persons” knowingly engaged in specified activities involving sensitive technologies — including those in the (i) semiconductor and microelectronics, (ii) quantum information technologies and (iii) artificial intelligence (“**AI**”) sectors — may be prohibited or subject to notification requirements (collectively, the “**covered activities**”).

Key elements of the jurisdictional scope of the Outbound Investment Security Program are as follows:

- (1) Requirements on U.S. persons: the OISP imposes obligations on U.S. persons, including prohibiting certain transactions and requiring notification for certain others. U.S. persons must also take reasonable steps to prevent controlled foreign entities from entering into prohibited transactions and must file notifications for notifiable transactions undertaken by such entities within 30 days after completion;
- (2) Categories of covered transactions: the OISP applies to certain transactions by U.S. persons, including acquisitions of equity or contingent equity interests, certain debt financing arrangements conferring specified rights, conversions of contingent equity interests, greenfield investments or corporate expansions, joint ventures, and certain investments as a limited partner or equivalent in non-U.S. pooled investment funds;
- (3) Knowledge standard: the obligations under the OISP apply where a U.S. person has knowledge of relevant facts or circumstances relating to a transaction;
- (4) Covered foreign persons: the OISP applies to transactions involving a “covered foreign person,” generally referring to entities connected to countries of concern that engage in specified activities relating to sensitive technologies or that derive a substantial portion of their financial metrics from such entities;

If one or more of the above elements are not satisfied, then the transaction would generally fall outside the scope of the OISP, and investors do not need to notify the Treasury.

The OISP also provides certain exceptions under which transactions that would otherwise fall within the scope of the prohibitions or notification requirements may be excluded. These exceptions include certain investments by U.S. persons in publicly traded securities listed on a national securities exchange.

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As advised by our International Sanctions Legal Advisor, (i) our Group’s current business operations do not involve “covered activities” as defined under the OISP and (ii) we did not constitute a “covered foreign person” for the purposes of the OISP. As a result, U.S. persons purchasing H Shares in the [REDACTED] will not be engaging in prohibited or notifiable transaction under the OISP. Accordingly, our Directors are of the view that the OISP has not had any material adverse impact on our operations or financial condition, and is not expected to have any such adverse impact on the [REDACTED] or the [REDACTED].

Notwithstanding the foregoing, the OISP remains subject to evolving regulatory interpretation and potential policy development. On December 18, 2025, the Comprehensive Outbound Investment National Security Act of 2025 (the “**COINS Act**”), which is expected to supersede the existing OISP framework, was enacted and will be subject to a rulemaking process expected to be completed by March 2027. While our current business operations do not involve “covered activities” as defined under the OISP, future expansion of our business may involve activities within the scope of the OISP, and we will continue to monitor regulatory developments and assess their potential impact on our operations.

LAWS AND REGULATIONS OF VIETNAM

Below is an overview of the laws and regulations materially relevant to our business in Vietnam.

Law on Investment 2025

The Law on Investment No. 143/2025/QH15, adopted by the National Assembly of the Socialist Republic of Vietnam on December 11, 2025 and effective from March 1, 2026 (the “**2025 Investment Law**”), replaces the Law on Investment 2020 and serves as the cornerstone of Vietnam’s legal framework for business investment. Organized into 7 Chapters and 52 Articles, it governs the full investment lifecycle from market entry and issuance of Investment Registration Certificates (IRC) to post-investment operations and liquidation. The 2025 Investment Law was enacted to modernize investment protocols, integrate high-standard commitments from New Generation Free Trade Agreements (FTAs), and facilitate a shift toward a digital and green economy. Key reforms include enhanced digital transformation in licensing, expanded investment incentives for Strategic Projects (particularly those involving semiconductor technology, hydrogen energy, and carbon capture), and refined market access conditions incorporating ESG standards.

Investment registration certificate

In order to invest in Vietnam by way of establishing a new economic organization, a foreign investor is required to satisfy the applicable market access conditions, obtain an Enterprise Registration Certificate (“**ERC**”) in advance, and obtain an investment registration certificate (“**IRC**”) from the competent authority, except in cases of establishing small and medium-sized innovative startup enterprises and innovative startup investment funds. The IRC is optional for domestic investors and, in specific circumstances, for foreign investors acquiring existing contributed capital or shares. Any change to the contents of the IRC requires an application for amendment.

Law on Enterprises 2020

The Law on Enterprises No. 59/2020/QH14, effective January 1, 2021 (the “**Law on Enterprises 2020**”), requires any company incorporated in Vietnam to obtain an ERC from the Business Registration Office of the provincial Finance Department where its head office is located. Any change to the content of the ERC must be registered or notified within ten (10) days from occurrence of such change.

Corporate Governance Structure of a Single-member Limited Liability Company

Under the Law on Enterprises 2020, a company may be incorporated as, among others, a single-member limited liability company (the “**Single-member LLC**”), whose charter capital consists of capital contribution portions (rather than shares) contributed by its owner. The organizational structure may take one of the following forms: (i) the President and the (General) Director; or (ii) the Members’ Council and the (General) Director. The company

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must have at least one individual legal representative residing in Vietnam. The owner of a Single-member LLC may not receive profit distributions when the company has outstanding debts or financial obligations that have fallen due. Pursuant to Circular No. 06/2019/TT-NHNN, remittance of profits offshore must be conducted through a Direct Investment Capital Account (“**DICA**”), and the foreign investor must notify the competent tax authority at least seven (7) business days prior to such remittance.

Foreign Exchange Control

An enterprise with foreign investment must open a DICA at one credit institution licensed to operate in Vietnam. Payment of investment capital, remittance of principal investment capital, profit, foreign loans and other lawful revenue must be conducted via this DICA. Foreign investors contribute equity capital through a DICA account in the currency registered as the charter capital on their business registration certificate. Any foreign loan (with offshore lenders) with a term of more than 12 months (from the disbursement date) must be registered with the State Bank of Vietnam. Any import shipment with credit over 45 days is considered as the loans and also required to report to the State Bank of Vietnam.

Labor Code

The Labor Code No. 45/2019/QH14, adopted by the National Assembly on November 20, 2019 (the “**Labor Code 2019**”), sets out the legal framework for labor relations in Vietnam. Labor contracts must be made in writing or in permitted electronic form, except for contracts with a term of less than one month. A labor contract may be: (a) indefinite term; (b) fixed term between 12 and 36 months; or (c) seasonal or specific job contract with a term of less than 12 months. Wages paid to employees shall not be lower than the regional minimum wage prescribed by the Government. Employers with 10 or more employees must maintain written Internal Labor Regulations covering working hours, workplace order, occupational health and safety, asset protection, disciplinary measures, and damage liability.

Occupational health and safety

Employers and employees are subject to statutory occupational health and safety (“**OHS**”) requirements. Employers must provide adequate personal protective equipment to employees working in dangerous or toxic environments, ensure all machinery and equipment meet mandatory safety standards and undergo periodic testing, conduct OHS training upon recruitment and assignment changes, and arrange periodic health checks for employees. Employers must also assess hazards, maintain safe working conditions, display safety instructions at the workplace, and consult the labor collective representative when formulating OHS plans.

Expatriates

To lawfully work in Vietnam, an expatriate must obtain a work permit or a confirmation of work permit exemption from the local labor authority prior to commencing work, unless otherwise exempt. A work permit or exemption confirmation is valid for a maximum of two years and is renewable. Labor contracts entered into with expatriates must be filed with the competent provincial labor management authority within five business days from the date of execution.

The work-permit regime for foreign nationals working in Vietnam is currently governed by Decree No. 219/2025/ND-CP (effective August 7, 2025), which superseded Decree No. 152/2020/ND-CP (as previously amended).

Social Insurance Law

The Law on Social Insurance 2024 (No. 41/2024/QH15), promulgated on June 29, 2024 and effective from July 1, 2025, comprehensively regulates compulsory social insurance, voluntary social insurance, supplementary pension insurance, and social pension benefits. Key highlights include the expansion of compulsory social insurance coverage to part-time workers and workers under non-labor contracts who are paid and subject to management and supervision, and the authorization of electronic social insurance books. The contribution wage base includes the monthly wage rate, position based allowances, and other additional benefits.

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The Law on Trade Unions

The Law on Trade Unions No. 50/2024/QH15 (the “**2024 Trade Union Law**”), approved by the National Assembly on November 27, 2024, replaces the 2012 regime and modernizes Vietnam’s labor relations framework in alignment with international labor standards. Key reforms cover organizational autonomy, trade union finance (preserving the 2% trade union fee), and enhanced protection of employees’ rights. For market participants, the 2024 Trade Union Law underscores Vietnam’s commitment to social governance and compliance.

Taxation

Under prevailing tax laws, foreign direct investment companies are mainly subject to: (i) Corporate Income Tax (“**CIT**”); (ii) Personal Income Tax (“**PIT**”); (iii) Business License Tax (“**BLT**”); and (iv) Value-Added Tax (“**VAT**”).

Corporate Income Tax (“CIT”)

CIT is imposed on income earned by organizations conducting production or business activities. The standard CIT rate ranges from 17% to 20%, with preferential rates and exemptions available for qualifying projects in designated sectors and geographic zones. Enterprises subject to CIT must make quarterly payments and conduct annual CIT finalization at the end of each tax year.

Personal Income Tax (“PIT”)

PIT applies to resident individuals on worldwide taxable income and to non-resident individuals on Vietnam-sourced income. Employers, as income-paying entities, are responsible for withholding, declaring, and paying PIT on behalf of their employees on a monthly or quarterly basis, and must conduct annual PIT finalization for all taxable income paid to employees.

Business License Tax (“BLT”)

Business License Tax was abolished with effect from January 1, 2026 pursuant to Article 10.7 of Resolution No. 198/2025/QH15 and Decree No. 362/2025/ND-CP (repealing Decree No. 139/2016/ND-CP and Decree No. 22/2020/ND-CP). Prior to that date, an annual BLT of VND1,000,000 to VND3,000,000 applied depending on registered charter capital.

Value-Added Tax (“VAT”)

The Law on Value Added Tax 2024 (No. 48/2024/QH15), effective July 1, 2025, as amended by Law No. 90/2025/QH15 of the same date, provides that goods and services arising in the processes of manufacturing, business, and consumption in Vietnam are generally subject to VAT, except for specified exempt categories. Goods transiting through Vietnam’s territory, goods temporarily imported or exported, raw materials imported for export processing under contracts with foreign partners, and goods and services traded between or among parties in non-tariff zones are not subject to VAT.

Construction

The Construction Law 2014 (No. 50/2014/QH13), effective January 1, 2015, as amended by Law No. 62/2020/QH14, comprehensively regulates construction investment activities in Vietnam, including the process and procedures for planning, appraisal, and approval of construction investment projects; site survey, design, construction, inspection, and handover of works; issuance of construction permits; and quality management, warranty, and maintenance. Construction projects requiring a building permit may only be placed into use after all statutory procedures have been completed, the building permit has been obtained, and the competent authority has inspected and approved the work for use.

Personal Data Protection

Decree No. 13/2023/ND-CP on Personal Data Protection, effective July 1, 2023 (“**Decree 13/2023**”), codifies and tightens personal data protection regulations in Vietnam. A data owner’s consent to the disclosure, processing, use for advertising purposes, and transfer of personal data must be in printable or copyable form and may be withdrawn at any time;

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silence or non-response does not constitute consent. Processing of personal data and cross-border transfer of personal data outside Vietnam are subject to assessment by the Department of Cybersecurity and High-tech Crime Prevention and Control. Non-compliance may result in administrative fines, suspension or revocation of processing licenses, or criminal liability. Entities providing information technology services must additionally comply with data localization and storage obligations and implement blocking and handling measures upon notice of unlawful data transmissions.

Land Law

The Land Law 2024 (No. 31/2024/QH15), promulgated on January 18, 2024 and effective from January 1, 2025, as amended by Law No. 43/2024/QH15 (effective August 1, 2024), provides that all land belongs to the people of Vietnam and is administered by the Vietnamese Government. Private freehold ownership is not available; land users are granted statutory rights to use land evidenced by land use right certificates. A foreign-invested enterprise may access land by way of: (a) leasing or sub-leasing from the State or industrial zone developers; (b) receiving land allocation from the State for residential development; (c) entering into a joint venture with a Vietnamese party who contributes capital by way of land use rights; or (d) taking an assignment of a licensed project or property from other investors, including the land use rights attached thereto. Upon satisfying applicable statutory conditions, foreign-invested enterprises may obtain a land use right certificate and may transfer, sell, contribute capital using, or mortgage assets on the land.

Anti-corruption Law

The Law on Anti-Corruption 2018 (No. 36/2018/QH14), effective July 1, 2019, stipulates measures to prevent, detect, and handle acts of corruption and prescribes sanctions applicable to both the state and non-state enterprise sectors. The Law defines the responsibilities of agencies, organizations, units, and individuals in anti-corruption efforts and in international cooperation on anti-corruption. Its core focus is the control of assets and income of persons holding positions and powers. The Law enhances publicity and transparency in management activities across both the state and private sectors.

LAWS AND REGULATIONS OF INDONESIA

Overview on Limited Liability Company

Limited liability company in Indonesia is governed by Law No. 40 of 2007 on limited liability company, as lastly amended by Law No. 6 of 2023 on the Determination of Government Regulation in lieu of Law No. 2 of 2022 on Job Creation into a Law (the “**Job Creation Law**”), including any of its implementing regulations, as may be amended from time to time (the “**Company Law**”).

Indonesia recognizes two main types of limited liability companies, which are:

1. Domestic Investment Company or *Perseroan Terbatas Penanam Modal Dalam Negeri* (“**PMDN Company**”), wholly owned by Indonesian individuals and/or legal entities; and
2. Foreign Capital Investments Company or *Perseroan Terbatas Penanaman Modal Asing* (“**PMA Company**”), wholly or partly owned by foreign individuals or entities, or jointly owned between Indonesian and foreign parties.

Under the Company Law, a company must be established by at least two shareholders, through a notarial deed of establishment, and approved by the Ministry of Law of Indonesia.

A company must have at least one member of the board of directors and one member of the board of commissioners. The board of directors manages and represents the company, while the board of commissioners supervises and advises the board of directors. The General Meeting of Shareholders (**GMS**) is the highest corporate organ, holding authority over key matters, including appointment and dismissal of directors and commissioners, amendments to the articles of association, approval of corporate actions, and determination of dividend distributions.

Foreign Direct Investment

Foreign direct investment (“**FDI**”) is primarily governed by Law No. 25 of 2007 on Investment, as lastly amended by the Job Creation Law (the “**Investment Law**”), and

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Presidential Regulation No. 10 of 2021 on Investment Business Field as lastly amended by Presidential Regulation No. 49/2021 (the “**Positive Investment List**”).

FDI must be conducted through a PMA Company, either by establishing a new company or acquiring shares in an existing company. Certain business sectors are subject to foreign ownership restrictions, while others are open or reserved for specific categories of investors.

Under Article 26 paragraph (2) and Article 26 paragraph (10) of the Head of Investment Coordinating Board Regulation No. 5 of 2025 on Guidelines and Procedures for Business Licensing Based on Risk and Investment Facilities Through an Electronically Integrated Business Licensing System (“**BKPM Reg No. 5/2025**”), a PMA Company must qualify as a large-scale enterprise, with a minimum issued and paid-up capital of at least IDR2.5 billion, and a minimum investment requirement of more than IDR10.0 billion per business line per business location, excluding land and buildings, unless stipulated otherwise by laws.

OSS RBA System and Licensing Framework

Business licensing in Indonesia is administered through the Online Single Submission – Risk-Based Business Licensing (“**OSS RBA**”) system under Government Regulation No. 28 of 2025 on the Organization of Risk-Based Business Licensing and BKPM Reg No. 5/2025.

Under the current OSS RBA system regime, business activities are classified into:

1. Low risk, only requires Business Identification Numbers (“NIB”) to commence operations;
2. Medium-low risk, requires NIB and a (self-declared) Certificate of Standards;
3. Medium-high risk, requires NIB and a verified Certificate of Standards; and
4. High risk, requires NIB and relevant licenses from relevant ministry.

The NIB serves as the primary business identification and may also function as other regulatory registrations, depending on the business activity.

Industrial Business License

Industrial activities are regulated under Law No. 3 of 2014 on Industry, as lastly amended by the Job Creation Law (the “**Industrial Law**”), Government Regulation No. 28 of 2025 on Risk-Based Business Licensing (the “**GR No. 28/2025**”) and BKPM Reg No. 5/2025. To maintain licencing, companies must submit biannual industrial reports via the National Industry Information System (*Sistem Informasi Industri Nasional*, or “**SIINAS**”) as prescribed by Ministry of Industry Regulation No. 13 of 2025, and quarterly Investment Activity Reports through the OSS system, both before and after the company initiates commercial production.

Construction Business Entity Certificate

Every business entity engaged in construction services is required to possess a business entity certificate, which is issued through a certification and registration process conducted by the Central Government. This certificate is valid for a period of three years and may be extended, as stipulated under Law No. 2 of 2017 on Construction Services and Government Regulation No. 22 of 2020 on the Implementing Regulation of Law No. 2 of 2017 on Construction Services. Non-compliance with this requirement may result in sanctions in the form of temporary suspension of construction service activities and the imposition of administrative fines on business entities that do not possess a Construction Business Entity Certificate.

Trade Business License

Trading activities are primarily governed under the Law No. 7 of 2014 on Trade, as lastly amended by the Job Creation Law (the “**Trade Law**”). Under Article 24 (1) of the Trade Law, business actors conducting trading activities must obtain a business license.

Under GR No. 28/2025, certain wholesale activities are classified as low-risk businesses, requiring only NIB prior to commencing operations. Failure to comply may result in administrative sanctions and/or imprisonment for a maximum of four years or a fine of up to IDR10.0 billion.

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Import and Export Licensing

Import and export activities in Indonesia are mainly governed under GR No. 28/2025 and relevant Ministry of Trade (“**MOT**”) regulations. Business actors must obtain NIB, which also serves as an import identification number (*Angka Pengenal Importir*, or “**API**”) and customs access. API embedded in the NIB can function as a general API, for importing goods intended for trade, or a producer API, for importing goods that are used internally (i.e, capital goods, raw materials, auxiliary materials, and/or materials to support the production process). For certain categorized goods, importers must obtain additional business license from MOT before the goods enter into the Indonesian customs territory.

Environmental Law

Environmental matters in Indonesia are primarily governed by Law No. 32 of 2009 on Environmental Protection and Management, as lastly amended by the Job Creation Law (the “**Environmental Law**”). Under the Environmental Law, businesses are required to obtain an environmental approval (“**Environmental Approval**”) before applying for business licenses and commencing operations.

Environmental Approvals are categorized based on the level of their potential environmental impacts, namely:

1. Environmental Feasibility Decision (*Keputusan Kelayakan Lingkungan Hidup*), for activities with significant environmental impacts requiring an Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan*, or “**AMDAL**”);
2. Environmental Management Commitment Statement (*Pernyataan Kesanggupan Pengelolaan Lingkungan Hidup*), for activities with lower environmental impacts requiring an Environmental Management and Monitoring Efforts (“**UKL-UPL**”); and
3. Statement of Commitment for Environmental Management and Monitoring (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* or “**SPPL**”), for activities that are not subjected to AMDAL or UKL-UPL requirements.

In addition, business that discharge emissions, wastewater, or manage hazardous and toxic waste, must also obtain specific environmental permits in accordance with their activities. Pursuant to the Environmental Law, failure to obtain the required environmental approval may result in administrative sanctions, including, written warnings, enforcement by the government, administrative fines, suspension of business licenses and/or revocation of business licenses.

Currency Law

The use of foreign exchange in Indonesia is mainly governed by Law No. 7 of 2011 on Currency, as lastly amended by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector, Bank Indonesia Regulation No. 17/3/PBI/2015 on Mandatory Use of Rupiah in the Territory of Indonesia, and the Circular Letter of the Bank of Indonesia Number 17/11/DKSP of 2015 concerning the Obligation to Utilise Rupiah within the Territory of Indonesia (the “**Mandatory Use of IDR Regulation**”).

As a general rule, IDR must be used for all transaction within Indonesian, including payments and settlement of monetary obligations, regardless of the parties’ nationality, with certain exemption. Foreign investors may repatriate funds such as capital, profits, interest, and dividends in accordance with Article 8 paragraph (3) of the Investment Law. Non-compliance may result in: (a) imprisonment for up to one year and a fine of IDR200 million; and (b) written warnings, fines, and prohibition from participation in payment transactions.

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Language Law

Pursuant to Law No. 24 of 2009 on the Flag, Language, State Emblem, and National Anthem, as further elaborated by Presidential Regulation No. 63 of 2019 on the use of Indonesian Language (collectively the “**Language Law**”), agreements involving Indonesian parties must be executed in Bahasa Indonesia. Where a foreign party is involved, the agreement may also be executed in a foreign language. The parties may agree on the prevailing language in case of inconsistency.

Employment

Employment matters are governed by Law No. 13 of 2003 on Manpower, as lastly amended by the Job Creation Law, and Government Regulation No. 35 of 2021 on Fixed Term Employment Agreement, Outsourcing, Working Hours, Rest Periods, and Termination of Employment (the “**Manpower Law**”).

Employment relationships are categorized as fixed-term (*Perjanjian Kerja Waktu Tertentu*, or “**PKWT**”) or permanent (*Perjanjian Kerja Waktu Tidak Tertentu*, or “**PKWTT**”). Employers hiring foreign workers must obtain a Foreign Worker Plan (*Rencana Penggunaan Tenaga Kerja Asing*, or “**RPTKA**”) approved by the central government as well as the relevant stay permits. A company is prohibited from employing a foreign worker for human resources related position.

Companies are required to submit an annual manpower report to the Ministry of Manpower. Failure to comply may result in administrative sanctions. Company that employs at least ten employees must adopt a company regulation (or a collective labour agreement, if applicable) that must be ratified by the Ministry of Manpower and are valid for two years.

Furthermore, according to the Manpower Law, a company is prohibited from paying wages below the regional minimum wage. In this regard, the applicable minimum wage provisions are provided as follows: (i) Governor Regulation of Jakarta No. 1142 of 2025 on the 2026 Minimum Wage of the Province, which stipulates that the minimum wage for the Special Capital Region of Jakarta is IDR5,729,876; and (ii) Governor Regulation of Kepulauan Riau No. 1331 of 2025 on the 2026 Minimum Wage of Batam City, which stipulates that the minimum wage for Batam City is IDR5,357,982. Non-compliance with the prevailing minimum wage is subject to sanctions in the form of: (i) imprisonment ranging from one to four years, and/or (ii) a fine ranging from IDR100.0 million to IDR400.0 million as set out in Article 185 of the Manpower Law.

Under Law No. 24 of 2011 on Agency of Employee Social Security (*Badan Penyelenggaraan Jaminan Sosial*), as lastly amended by the Job Creation Law and its implementing regulations, employer, except the government, is required to enrol all employees (permanent or contract) for Employee Social Security (*Jaminan Sosial Tenaga Kerja*, or “**BPJS**”) programs, covering manpower and health. Non-compliance may result in administrative sanctions.

Personal Data Protection, Cross-Border Data Transfer, Cybersecurity

Personal data protection in Indonesia is primarily governed by Law No. 27 of 2022 on Personal Data Protection, as may be amended from time to time (the “**PDP Law**”). The PDP Law applies to any person (individual or legal entity), public body, or international organization that performs legal acts regulated by the PDP Law, which is either located (a) in the territory of Indonesia; or (b) outside the territory of Indonesia but still within (i) the jurisdiction of Indonesia, and/or (ii) relating to any Indonesian nationals. However, the PDP Law does not apply to the processing of personal data by individuals for personal purposes.

Under the PDP Law, the processing of personal data must comply with key principles, including lawful basis (such as consent or other legitimate grounds), purpose limitation, data minimization, accuracy, storage limitation, integrity and confidentiality, and accountability.

The PDP Law also regulates the transfer of personal data outside Indonesia. In general, cross-border transfers are permitted provided that the data controller ensures that: (i) the recipient country or international organization has a level of personal data protection that is equal to or higher than that under the PDP Law; or (ii) in the absence of such adequacy, appropriate and binding safeguards are implemented; or (iii) where neither of the foregoing

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can be satisfied, the data subject has provided explicit consent to the transfer. Failure to comply with the PDP Law may result in administrative sanctions.

As of the date of this document, Indonesia does not yet have a standalone and comprehensive cybersecurity law. Cybersecurity-related matters are presently regulated in a fragmented manner under various existing laws and regulations across different sectors and authorities, including Law No. 11 of 2008 on Electronic Information and Transactions, as amended, and Government Regulation No. 71 of 2019 on the Implementation of Electronic Systems and Transactions. These regulations primarily apply to Electronic System Operators (*Penyelenggara Sistem Elektronik*, or “PSE”), being any person, state administrator, business entity, or community that provides, manages, and/or operates an electronic system, whether individually or jointly, for users.

Under the prevailing regulatory framework, PSE are required, among others, to (i) ensure the reliability, security, and proper operation of their electronic systems; (ii) implement appropriate technical and organisational security measures to protect electronic information and data from unauthorized access, disclosure, alteration, or destruction; (iii) maintain the confidentiality, integrity, and availability of data processed through their systems; (iv) establish internal governance policies and standard operating procedures relating to cybersecurity and data protection; and (v) in certain cases, register their electronic systems with the relevant authority. Non-compliance with applicable cybersecurity and electronic system regulations may result in administrative sanctions.