REGULATORY OVERVIEW

We are subject to a variety of laws, rules and regulations in the PRC, Thailand and New Zealand across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC, Thailand and New Zealand and the specific law and regulation of the U.S. tariff and export controls.

LAWS AND REGULATIONS IN THE PRC

Laws and Regulations on Foreign Investment

In accordance with the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), companies are generally divided into two types, namely limited liability companies and companies limited by shares. The Company is an enterprise legal person with independent legal person property and enjoys the rights to legal person property. The Company Law also applies to foreign-invested limited liability companies and companies limited by shares.

The Foreign Investment Law of the People's Republic of China (the "**Foreign Investment Law**") establishes the fundamental framework for foreign investment access, promotion, protection, and administration, implementing a pre-establishment national treatment plus negative list management system. To further clarify and elaborate on the Foreign Investment Law and protect the legitimate rights and interests of foreign investors, the State Council promulgated the Implementation Regulations of the Foreign Investment Law of the People's Republic of China (the "**Implementation Regulations**") on 26 December 2019, which took effect on 1 January 2020.

The Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (the "**2024 Negative List**") specifies the prohibited and restricted investment sectors. For sectors outside the 2024 Negative List, administration shall be conducted in accordance with the principle of equal treatment between domestic and foreign investment.

Certain operations of COSMO Qingdao involve internet information services, which fall within the scope of value-added telecommunications services under the PRC regulatory regime. Pursuant to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version), foreign investment in value-added telecommunications services (other than those specifically exempted) is subject to a foreign ownership cap of 50%. Accordingly, foreign shareholding in COSMO Qingdao is subject to the applicable foreign ownership restrictions under the 2024 Negative List. Based on our Company's proposed issuance and **[REDACTED]** plan and assuming the **[REDACTED]** is exercised in full, the **[REDACTED]** will not result in the aggregate foreign ownership interest of our Company's PRC incorporated subsidiaries, on a look-through basis, exceeding 50%, and therefore will not contravene the applicable foreign ownership restrictions under the 2024 Negative List.

Laws and Regulations on Value-added Telecommunication Services and Internet Content Services

Value-Added Telecommunication Services

According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), telecommunications services are divided into basic telecommunications services and value-added telecommunications services. According to the Telecommunications Regulations, value-added telecommunications business operators must first obtain a Value-added Telecommunication Business Operation License issued by the MIIT of the PRC (the "**MIIT**") or the provincial competent authorities. The Administrative Measures for Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》) provides more specific provisions on the types of licenses required to operate value-added telecommunications businesses, the qualifications and procedures for obtaining the relevant licenses and the supervision of the licenses.

The Catalog of Telecommunications Services (《電信業務分類目錄》), issued as an appendix to the Telecommunications Regulations, classifies value-added telecommunications services into Category I and Category II value-added telecommunications services. Category I includes Internet Data Center services, Content Delivery Network services, Domestic Internet Virtual Private Network services and Internet Access services, while Category II includes Online Data and Transaction Processing services, Domestic Multi-party Communication services, Store-and-Forward services, Call Center services, Information services and Code and Protocol Conversion services. According to the Catalog of Telecommunications Services, Online Data and Transaction Processing services use various data and transaction/affairs processing application platforms connected to public telecommunications networks or the Internet to provide services such as transaction processing, electronic data interchange and network/electronic equipment data processing services to users. Information services use information collection, development and processing, as well as the construction of information platforms, to provide voice information services (audiotex services) or online information and data retrieval and other information services directly to end-users through public telecommunications networks (such as fixed networks, mobile networks or the Internet).

According to the Administrative Regulations on Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) and the 2024 Negative List, for value-added telecommunications business areas opened according to China's WTO commitments, the foreign investment ratio in value-added telecommunications business enterprises (excluding e-commerce, domestic multi-party communication services, store-and-forward and call center businesses) may not exceed 50%, and any domestic enterprise engaged in basic telecommunications business must be controlled by the Chinese party. According to the Announcement of the MIIT on Lifting Foreign Shareholding Restrictions in Online Data Processing and Transaction Processing Business (E-commerce for Operating Purposes) (《工業和信息化部關於放開在線數據處理與交易處理業務(經營類電子商務)外資股比限制的通告》), the foreign shareholding ratio in Online Data Processing and Transaction Processing business (e-commerce for operating purposes) can be up to 100%.

Internet Information Services

According to the Catalog of Telecommunications Services, Information services are Category II value-added telecommunications services. According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), "Internet information services" refer to service activities that provide information to Internet users through the Internet and are classified as "for-profit Internet information services" and "non-commercial Internet information services." For-profit Internet information service providers must obtain an Internet Information Service Value-added Telecommunication Business Operating License (the "**ICP License**") from the relevant government department before operating any for-profit Internet information service. If a provider provides Internet information only on a non-commercial basis, it does not need to obtain an ICP License. According to the Administrative Measures for Telecommunications Business Operating Licenses, the ICP License is valid for five years and can be renewed within 90 days before its expiry. In addition, the provision of for-profit Internet information services through mobile Internet applications is regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》). Mobile Internet application information service providers must comply with the provisions of these regulations, including obtaining qualifications required by laws and regulations and ensuring information security.

Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection

Laws and Regulations on Cybersecurity and Data Security

The National Security Law of the PRC (《中華人民共和國國家安全法》) stipulates that the state will establish systems and mechanisms for national security review and supervision, conduct national security reviews of foreign investment, specific items and key technologies, network information

technology products and services, construction projects involving national security matters, and other major matters and activities that affect or may affect national security, to effectively prevent and defuse national security risks.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") applies to the construction, operation, maintenance and use of networks within China, as well as the supervision and administration of cybersecurity. According to the Cybersecurity Law, the state implements a cybersecurity multi-level protection system. Network operators meet the relevant security requirements of this system, ensure the network is free from interference, damage, or unauthorized access, and prevent network data from being leaked, stolen or tampered with.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") stipulates that any organization or individual collecting data must adopt lawful and proper means and may not steal or otherwise obtain data illegally. The Data Security Law specifies basic data security management systems, including the establishment of a classified and graded data protection system, a data security risk assessment mechanism, a data security emergency response mechanism and a data security review system.

The Measures for Cybersecurity Review stipulate that critical information infrastructure operators procuring network products and services must pre-assess the potential national security risks after the products and services are put into use. If national security is or may be affected, they must declare a cybersecurity review to the Cybersecurity Review Office. Network platform operators mastering personal information of more than 1 million users must declare a cybersecurity review to the Cybersecurity Review Office before listing abroad.

According to the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), data processors providing data abroad that meet any of the following conditions must declare outbound security assessment to the national cyberspace administration authority through the provincial-level cyberspace administration authority where the data processor is located: (i) critical information infrastructure operators providing personal information or important data abroad; (ii) data processors other than critical information infrastructure operators providing important data abroad, or providing personal information (excluding sensitive personal information) of more than 1 million individuals or sensitive personal information of more than 10,000 individuals abroad (cumulatively) since January 1 of the current year.

According to the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》), the Regulations apply to network data processing activities and their security supervision and administration conducted within China. The Regulations stipulate that no individual or organization may use network data to engage in illegal activities, or engage in illegal network data processing activities such as stealing or otherwise illegally obtaining network data, or illegally selling or providing network data to others.

Laws and Regulations on Personal Information Protection

According to the provisions of the Civil Code of the PRC (《中華人民共和國民法典》), the personal information of natural persons is protected by law. Any organization or individual that needs to obtain personal information of others must do so in accordance with the law and ensure information security, and may not illegally collect, use, process or transmit others' personal information, nor illegally buy, sell, provide or disclose others' personal information.

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), the processing of personal information must adhere to the principles of lawfulness, legitimacy, necessity and good faith, and personal information may not be processed through misleading, fraud, coercion or other such means. No organization or individual may illegally collect, use, process or transmit others' personal information, nor illegally buy, sell, provide or disclose others' personal information, nor engage in personal information processing activities that endanger national security or public interests.

Laws And Regulations On Algorithm Governance

The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation (《互聯網信息服務算法推薦管理規定》), implement classification and hierarchical management for algorithm-based recommendation service providers based on various criteria. The provisions also require the algorithmic recommendation service providers to establish and improve the management systems and technical measures for algorithm mechanisms and to provide users with options that will not target their personal profiles or convenient options to close algorithmic recommendation services.

On November 25, 2022, The CAC, the Ministry of Industry and Information Technology, and the Ministry of Public Security jointly promulgated the Provisions on the Administration of Deep Synthesis of Internet-Based Information Services (《互聯網信息服務深度合成管理規定》) (the "**Deep Synthesis Provisions**"), which took effect on January 10, 2023.

The Deep Synthesis Provisions clearly stipulates that the use of deep synthesis technology to provide Internet information services within the territory of the People's Republic of China is subject to these regulations. The general provisions of deep synthesis services are specified, emphasizing that deep synthesis services must not be used for activities prohibited by laws and administrative regulations. The Deep Synthesis Provisions requires deep synthesis service providers to implement the main responsibility for information security, establish sound management systems and technical security measures, formulate public management rules and platform conventions, authenticate the real identity information of users, strengthen deep synthesis content management, establish sound rumor-refuting mechanisms and complaint and reporting mechanisms.

The Provisional Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "**AIGC Measures**") specifies the overall requirements for providing and using generative artificial intelligence services, propose specific measures to promote the development of generative artificial intelligence technology, clarify requirements for training data processing activities and data annotation, establish norms for generative artificial intelligence services, and require generative artificial intelligence service providers to take effective measures to prevent minors from over-relying on or becoming addicted to generative artificial intelligence services. The AIGC Measures also requires the identification of generated content such as images and videos in accordance with the Deep Synthesis Provisions, and timely disposal of illegal content. In addition, the AIGC Measures establish systems for safety assessment, algorithm registration, and complaint reporting, and clarify legal responsibilities.

In addition 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》), our Group is also subject to the Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which were promulgated by the Cyberspace Administration of China in November 2022 and became effective in January 2023. These provisions distinguish between deep synthesis service providers and technical support providers, and impose compliance requirements including content identification and algorithm filing obligations under specified circumstances. Pursuant to Article 21 of the Interim Measures for the Administration of Generative Artificial Intelligence Services and Article 22 of the Administrative Provisions on Deep Synthesis of Internet-based Information Services, failure to fulfil applicable filing or compliance obligations may result in regulatory actions by the competent authorities, including warnings, public criticism, orders for rectification within a prescribed period or, in serious cases, suspension of relevant services. Our Group has implemented internal control measures and procedures to address regulatory requirements relating to generative AI and deep synthesis technologies and to ensure compliance with applicable AI-related laws and regulations. In particular, with respect to system establishment, our Group has established an algorithm security policy framework comprising, among others, the Algorithm Security Self-assessment Policy, the Algorithm Security Monitoring Policy and the Algorithm Security Incident Emergency Response Policy. Our Group has also set up an algorithm security management system led by its algorithm security compliance committee. Through these policies and mechanisms,

our Group has put in place safety control requirements covering the full lifecycle of algorithm research and development, training, deployment, operation and iteration, and has specified the operational protocols for key aspects such as data compliance, model security, content review and emergency response. With respect to training data annotation, our Group has formulated the rules of data annotation and conducts both security-based and functionality-based annotation of data. Furthermore, our Group provides trainings to data annotation personnel and seeks to prevent employees who have not undergone or passed the required assessment from participating in data annotation work. With respect to content governance, our Group has adopted measures including keyword matching, text classification and identification, and manual review regarding the input and output content of its intelligent search engine services, with a view to filtering sensitive or non-compliant information and preventing the generation and dissemination of illegal or harmful information. With respect to content labelling, our Group plans to add an explicit content labelling notice on the interface of its intelligent search engine services indicating that the relevant content is generated by COSMOMind may be inaccurate, and advising users to exercise caution when relying on such content. Our Group also plans to add implicit identifiers to the output content to enable traceability. With respect to the protection of users' rights and interests, our Group has made available the COSMOMind Service Agreement and the COSMOMind User Privacy Policy on the service interface, which explain to users the specific features of our Group's services and its collection and processing of personal information. Our Group has also completed the algorithm filing and large model filing procedures required for its business operations. COSMO Qingdao previously provided services such as industrial knowledge intelligent search and precision-generated solutions to Internet users through an intelligent interactive engine on its official website. As of the Latest Practicable Date, COSMO Qingdao has completed the algorithm filing for its intelligent interactive engine services as a service provider and obtained the relevant filing number. Based on the guidance published by the Cyberspace Administration of China, our Group completed the filing of its underlying generative AI model used in its solutions as a generative artificial intelligence service provider, with the competent authority being the Shandong Provincial Cyberspace Administration. In addition, as our Group provides AI-enabled solutions to enterprise customers and may be regarded as a technical support provider under the Administrative Provisions on Deep Synthesis of Internet-based Information Services, our Group has also completed the required algorithm filing with the Cyberspace Administration of China in its capacity as a technical support provider. Based on the above, our PRC Legal Adviser is of the view that as of the Latest Practicable Date, our Group has complied with the applicable PRC laws and regulations relating to generative artificial intelligence and deep synthesis technologies in all material respects. Based on the facts and analysis mentioned above and the due diligence conducted by the Joint Sponsors detailed below, nothing has come to the Joint Sponsors' attention in the course of conducting the due diligence work detailed below that would reasonably cause them to cast doubt on the view of our Company's PRC Legal Adviser as disclosed in the foregoing. Such due diligence work included but were not limited to (i) reviewing our PRC Legal Adviser's legal opinion which stated that our Group has complied with the applicable PRC laws and regulations relating to generative artificial intelligence and deep synthesis technologies in all material respects during the Track Record Period and up to the Latest Practicable Date, and that our Group has completed the abovementioned filings with the relevant Cyberspace Administration in the PRC; (ii) discussing with the Joint Sponsors' PRC legal adviser who concurs with the view and analysis of our PRC Legal Advisor as disclosed above; and (iii) performing due diligence with our PRC Legal Adviser.

Laws and Regulations on Intellectual Property

Trademarks: According to the Trademark Law of the PRC (《中華人民共和國商標法》) and the Implementing Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), trademarks approved and registered by the Trademark Office are registered trademarks, and include commodity trademarks, service marks and collective trademarks, and certification marks. Trademark registrants enjoy the exclusive right to use the trademark, which is protected by law.

The term of validity of a registered trademark is 10 years from the date of approval of the registration. The term of validity of each renewal of registration is 10 years. If the renewal procedures are not completed upon expiration, the registered trademark will be cancelled.

Patents: According to the Patent Law of the PRC (《中華人民共和國專利法》) and the Implementing Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) patents are classified into three categories, namely invention patents, design patents and utility model patents. The duration of patent rights for an invention, a utility model and a design will be 20 years, 10 years and 15 years, respectively, from the date of application. Exploiting a patent without the authorization of the patent holder constitutes the infringement of patent rights, and the infringer will be liable for compensation to the patent holder and may be subject to fines or criminal liability.

Copyright: According to the Copyright Law of the PRC (《中華人民共和國著作權法》) and the Implementing Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) works of PRC citizens, legal persons or unincorporated organizations enjoy copyright pursuant to law, whether published or not. The aforementioned works refer to intellectual achievements that are original and can be expressed in a certain form in the fields of literature, art and science.

Domain Names: According to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), promulgated by the MIIT and effective from November 1, 2017. Domain name registration services generally follow the "first apply, first register" principle. When applying for domain name registration, the applicant shall must a domain name registration agreement with the registrar and provide them with authentic, accurate and complete registration information. After the completion of the registration procedures, the applicant becomes the holder of the relevant domain name.

Laws and Regulations on Real Property

Land Use Rights and House Ownership: According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) state-owned land may be granted or allocated to construction units for use according to law.

According to the Civil Code of the PRC (《中華人民共和國民法典》), the creation, alteration, transfer or extinction of real property rights will become effective upon registration in accordance with law, and will otherwise have no effects whatsoever. The certificate of real property ownership is the evidence that the right holder is entitled to ownership of such real property rights.

Construction Land Planning Permit: According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), where state-owned land use rights are obtained by grant or allocation for utilization, a construction land planning permit must be obtained. If the construction unit obtains land use approval without obtaining the construction land planning permit, the relevant approval documents will be revoked by the local people's government at or above the county level; if the land is occupied, it will be returned promptly; if losses are caused to the parties, compensation will be made according to law.

Construction Engineering Planning Permit: According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), for any construction project of buildings, structures, roads, pipelines and other engineering works within the planning areas of cities and towns, the relevant construction unit or individual must apply for a construction engineering planning permit with the competent urban and rural planning department of the people's government of the city or county, or the people's government of the relevant town designated by the people's government of the relevant province, autonomous region or municipality.

Construction Permit: According to the Construction Law of the PRC (《中華人民共和國建築法》), before a construction project begins, the construction unit must, in accordance with the relevant state provisions, apply for a construction permit with the competent construction department of the people's government at or above the county level where the project is located,

except for small-scale projects below the limit determined by the competent construction department of the State Council. Construction projects that have a work commencement report approved pursuant to the authority and procedures stipulated by the State Council are not required to apply for a construction permit.

Acceptance of Construction Projects: According to the Administrative Regulations on Construction Quality (《建設工程質量管理條例》) and the Administrative Measures for the Acceptance Inspection and Filing of Building and Municipal Infrastructure Works (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), a construction project may be delivered for use only after it has passed an acceptance inspection. The construction unit must within 15 days from the date of passing the acceptance inspection, file with the competent construction administrative department of the local people's government at or above the county level where the project is located. If the construction unit delivers the project for use without organizing the acceptance inspection or delivers the project for use despite failing the acceptance inspection, it will be ordered to make corrections and fined not less than 2% but not more than 4% of the contract price of the project; if losses are caused, it will bear compensation liability according to law. If the construction unit fails to file the acceptance inspection within 15 days from the date on which the construction project passes the acceptance inspection, the filing authority will order it to make corrections within a specified time frame and impose a fine of not less than RMB200,000 but not more than RMB500,000.

Leased Properties: According to the Civil Code of the PRC (《中華人民共和國民法典》), the owner of real or movable property has the right to possess, use, benefit from and dispose of such real or movable property according to law. A lessee may, with the consent of the lessor, sublease the leased property to a third party, and the lease contract between the lessee and the lessor will remain valid. If the lessee subleases without the consent of the lessor, the lessor may rescind the contract. Furthermore, if the ownership of the leased property changes during the term of possession by the lessee according to the lease contract, the validity of the lease contract is not affected. If a third party asserts rights, thereby preventing the lessee from using or benefiting from the leased property, the lessee may request a reduction in rent or non-payment of rent. According to the Civil Code of the PRC (《中華人民共和國民法典》), if the relevant parties fail to go through the lease contract registration and filing procedures in accordance with the provisions of laws and administrative regulations, the validity of the contract is not affected. According to the Administrative Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》), within 30 days after the conclusion of a house lease contract, the parties to the house lease must go through the house lease registration and filing procedures with the competent construction (real estate) department of the people's government of the municipality, city or county where the leased house is located. Where the foregoing provisions are contravened, the competent construction (real estate) department of the people's government of the municipality, city or county will order corrections within a specified time frame; if a unit, as a party to the house lease, fails to make corrections by the deadline, it will be fined not less than RMB1,000 but not more than RMB10,000.

Laws and Regulations Concerning Work Safety

According to the Work Safety Law of the People's Republic of China, production and business entities must comply with this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve the work safety responsibility system for all personnel and work safety rules and regulations, increase investment and support for work safety funds, materials, technology, and personnel, improve work safety conditions, strengthen the standardization and information technology of work safety, establish a dual prevention mechanism for hierarchical control of safety risks and investigation and treatment of hidden dangers, improve the risk prevention and resolution mechanism, enhance work safety standards, and ensure work safety. Production and business entities that do not meet work safety conditions shall not engage in production or business activities.

According to the Measures for the Supervision and Administration of the "Three Simultaneous" Safety Facilities for Construction Projects, safety facilities for construction projects must be designed, constructed, and put into use simultaneously with the main projects.

Laws and Regulations Concerning Fire Safety

According to the Fire Protection Law of the People's Republic of China, the fire protection design and construction of construction projects must comply with the national fire protection technical standards for engineering construction.Upon completion of a construction project for which fire protection design is required pursuant to the national fire protection technical standards for engineering construction, a system of fire protection design review and fire protection acceptance shall be implemented for such project.Upon completion of a construction project for which fire protection acceptance is required to be applied for in accordance with the provisions of the Ministry of Housing and Urban-Rural Development, the construction entity shall apply to the competent department of housing and urban-rural development for fire protection acceptance.For other construction projects beyond those specified in the preceding paragraph, the construction entity shall file a record with the competent department of housing and urban-rural development after acceptance, and the competent department of housing and urban-rural development shall conduct random inspections.Construction projects subject to fire protection acceptance in accordance with the law shall be prohibited from being put into use if they fail to undergo fire protection acceptance or fail the fire protection acceptance. Other construction projects that fail random inspections conducted in accordance with the law shall cease to be used.

According to the Provisional Regulations on the Administration of Fire Protection Design Review and Acceptance for Construction Projects, the fire protection design review and acceptance system applies only to special construction projects, while a filing and random inspection system is implemented for other projects.

According to the Measures for the Administration of Fire Safety for Leased Factory Buildings and Warehouses (Trial), lessors, lessees, and property service enterprises of leased factory buildings and warehouses shall fulfill their respective fire safety responsibilities and strengthen fire safety management. In addition, leased factory buildings and warehouses shall meet fire safety requirements, and the use nature and function of factory buildings and warehouses shall not be altered in violation of regulations.

Laws and Regulations on Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**") promulgated by the SCNPC and effective from January 1, 2015, establishes a legal framework for protecting and improving the environment, preventing and controlling pollution and other public hazards, safeguarding public health, promoting ecological progress, and achieving sustainable economic and social development. According to the Environmental Protection Law, enterprises, institutions and other producers and business operators must prevent and reduce environmental pollution and ecological damage, and bear liability according to law for the damage caused.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) and the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), the state implements classified management for the environmental protection of construction projects according to the degree of impact on the environment, as follows: (i) for construction projects that may cause significant impact on the environment, an environmental impact report must be prepared with a comprehensive and detailed appraisal on the pollution caused by the construction project and its impact on environment; (ii) for construction projects that may cause minor impact on the environment, an environmental impact statement must be prepared with an analysis or special appraisal on the pollution caused by the

construction project and its impact on the environment; (iii) for construction projects with minimal environmental impact that do not require an environmental impact assessment, an environmental impact registration form must be completed.

Laws and Regulations on Import and Export

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), the competent department of foreign trade under the State Council is in charge of the nation's foreign trade work. As of December 30, 2022, the filing and registration of foreign trade operators has been canceled. The state permits the free import and export of goods and technologies, except as otherwise provided by laws and administrative regulations.

According to the Administrative Regulations of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), customs declaration entities refer to consignees or consignors of imported or exported goods customs declaration enterprises or that have filed for record with the Customs Department in accordance with such provisions. Consignors or consignees of imported or exported goods or customs declaration entities applying for record-filing must obtain market entity qualifications; consignors or consignees of imported or exported goods applying for record-filing must also obtain foreign trade operator filings. The record-filing of a customs declaration entity remains valid indefinitely. Temporary record-filing is valid for one year and renewal may be applied for upon expiry.

According to the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》), consignors or consignees of imported or exported goods applying for filing must obtain market entity qualifications and do not need to obtain foreign trade operator filings.

Laws and Regulations on Employment and Social Welfare

Labor Law and Labor Contracts: According to the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), employers must establish and improve rules and regulations according to the law to ensure that laborers enjoy labor rights and perform labor obligations. A written labor contract will be concluded when the employer and the laborers establish the employment relationship. Where the employer fails to conclude a written labor contract for the employment of an employee or if the remuneration stipulated between the employer and the employee is not clear, the labor remuneration of a new employee will be executed pursuant to the standard stipulated in the collective contract; where there is no collective contract or where there is no such provision in the collective contract, the principle of equal pay for equal work will apply.

Social Insurance: According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the PRC will establish social insurance systems including basic endowment insurance, basic medical insurance, employment injury insurance, unemployment insurance, maternity insurance to protect the rights of citizens to obtain material assistance from the State and the society pursuant to the law in the circumstances of old age, illness, work-related injury, unemployment and childbirth. Employers must complete social insurance registration with the social insurance agency for its employee within the required time, and declare and pay social insurance premiums on time and in full amount. Payment may not be deferred, reduced or exempted except due to force majeure or other statutory cause. Employers who failed to pay social insurance premiums on time or in full amount will be ordered by the collection agency to pay or make up the deficit of premiums within a stipulated period, and will be subject to a late payment fine computed from the date of default at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities will impose a fine ranging from one to three times the outstanding amount.

Housing Provident Fund: According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), the employer must register the contribution to the housing provident fund with the housing provident fund management center and go through the formalities of opening housing provident fund accounts for its employees. The employer must pay and deposit housing provident fund contributions on schedule and in full, and may not make overdue contributions or underpay the housing provident fund.

Where, in violation of the provisions of the Regulations on the Administration of Housing Provident Fund, an employer fails to register housing provident fund contributions or fails to complete the process of opening housing provident fund accounts for its employees, the housing provident fund management center will order it to complete the process within a prescribed time frame; where it has failed to do so by the deadline, a fine of not less than RMB10,000 but not more than RMB50,000 will be imposed. Where the employer fails to deposit the housing provident fund contributions within the specified time frame or underpays, it will be ordered by the housing provident fund management center to deposit the fund within a specified time frame; if it fails to deposit the fund by the deadline, the housing provident fund management center may apply to the people's court for enforcement.

Laws and Regulations on Foreign Exchange

According to the Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) and the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》), after financial institutions engaging in conversion and sale of foreign currencies carry out a reasonable examination of the veracity of the transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments pursuant to the provisions of the foreign exchange control department of the State Council, the RMB is freely convertible for payment of current account items, such as trade- and service-related foreign exchange transactions and dividend payments. However, it is not freely convertible for capital account items, such as direct investment, loans or investments in securities outside China, unless prior approval from the State Administration of Foreign Exchange ("**SAFE**") or its branches is obtained.

According to the Decision on Matters Concerning Cancellation and Adjustment to a Batch of Items subject to Administrative Approval (《關於取消和調整一批行政審批項目等事項的決定》), the State Council has decided to cancel the approval requirement for the remittance and settlement of the proceeds raised from the overseas listing of overseas-listed foreign shares.

According to the Notice on Issues Relating to Foreign Exchange Control Pertaining to Overseas Listing (《關於境外上市外匯管理有關問題的通知》), a domestic company must, within 15 business days from completion of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation. The funds obtained by a domestic company through an overseas listing can be transferred to a domestic account or deposited overseas. The use of funds must be consistent with the relevant contents set out in the document document or disclosure documents such as the corporate bonds offering documentation, shareholders' circular and the resolution of the shareholders' general meeting or the board of directors.

According to the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), the administrative approvals for foreign exchange registration under domestic direct investment and overseas direct investment have been cancelled and the banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment, and the SAFE and its branches will implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Notice on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Account Items (《關於改革和規範資本項目結匯管理政策的通知》), domestic institutions may settle their foreign exchange receipts under the capital account (including

foreign exchange capital, foreign debts and repatriated funds raised through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. The proportion of discretionary settlement of foreign exchange capital income for domestic companies is temporarily set at 100%. The SAFE may adjust the above proportion in due course based on international balance of payments.

According to 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》), enterprises satisfying the prescribed requirements are allowed to use receipts under capital accounts such as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials on a transaction-by-transaction basis in advance, under the premise that funds are used in a truthful and compliant manner and comply with the existing provisions on the administration of use of receipts under capital accounts. Banks must, under the principle of prudential business development, manage and control the relevant business risks, and conduct ex post random inspection of the facilitation of receipts and payments under capital accounts according to the relevant requirements.

Laws and Regulations on Dividend Distribution

According to the Foreign Investment Law and the Implementation Regulations for the Foreign Investment Law, foreign investors may, in accordance with the law, freely remit into or out of the PRC, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of the PRC. Organizations and individuals may not illegally restrict the currency type and amount as well as the frequency of inward, outward remittance, among others.

According to the Company Law, when distributing each year's profits after taxation, the company must set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% or more of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits must first be used to make good the losses before any allocation is set aside for the statutory common reserve fund.

Laws and Regulations on Taxation

Enterprise Income Tax: Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") and the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得税法實施條例》) (the "**EIT Law Implementation Regulations**"), promulgated by the State Council and effective from January 20, 2025, the enterprise income tax will be at the rate of 25%. The enterprise income tax for high-tech enterprises supported by the State will be at a reduced tax rate of 15%.

Value-Added Tax: According to the Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值税暫行條例》, the "**Interim Value-Added Tax Regulations**") and the Implementation Rules for the Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值税暫行條例實施細則》) (the "**Implementation Rules for the Interim Value-Added Tax Regulations**"), entities and individuals who sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of Value-Added Tax, and must pay the Value-Added Tax. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to Value-Added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), the tax rates of 17% and 11% applicable to any taxpayer's Value-Added Tax taxable sale or import of goods will be adjusted to 16% and 10%, respectively. According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》), the tax rate of 16% applicable to the Value-Added Tax taxable sale or import of goods by a

general Value-Added Tax taxpayer will be adjusted to 13%; and the tax rate of 10% applicable thereto will be adjusted to 9%. On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值税法》), effective from January 1, 2026, which replaces the Interim Value-Added Tax Regulations.

Laws and Regulations on Securities and Overseas Listing

Securities Laws and Regulations: According to the Securities Law of the PRC (《中華人民共和國證券法》), domestic enterprises issuing securities overseas or listing their securities overseas, either directly or indirectly, must comply with the relevant provisions of the State Council. The specific measures for the subscription for and trading in stocks of domestic companies in foreign currencies will be stipulated by the State Council.

Overseas Listing: On February 17, 2023, the China Securities Regulatory Commission ("**CSRC**") promulgated the Trial Administrative Measures of the 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》) and five ancillary interpretive guidelines (collectively, the "**Overseas Listing Trial Measures**"), which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, overseas offering and listing by domestic companies must comply strictly with relevant national security laws, administrative regulations and rules concerning foreign investment, cybersecurity and data security, and must duly fulfill their obligations to protect national security. If the intended overseas offering and listing necessitates a national security review, relevant security review procedures must be completed according to law before the application for such offering and listing is submitted to any overseas parties such as securities regulatory agencies and trading venues. Initial public offerings or listings in overseas markets must be filed with the CSRC within three working days after the relevant application is submitted overseas.

On February 24, 2023, the CSRC, Ministry of Finance, National Administration of State Secrets Protection and State Archives Administration of China jointly issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities 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 "**Archives Rules**"), which came into effect on March 31, 2023. According to the Archives Rules, 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 entities, any document or material involving State secrets or work secrets of State agencies, a domestic enterprise must apply to the competent department with examination and approval authority for approval in accordance with the law, and file the same with the secrecy administration at the same level for the record. 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 must adhere strictly to the corresponding procedures pursuant to the relevant provisions.

LAWS AND REGULATIONS IN THAILAND

The corporate establishment, governance and ongoing compliance obligations of the Thai Subsidiaries are primarily governed by the Civil and Commercial Code of Thailand, as amended, which regulates the formation, shareholding structure, directors' duties, corporate governance and financial reporting obligations of private limited companies. In addition, given that both Thai Subsidiaries are wholly foreign-owned, they are classified as "foreigners" under the Foreign Business Act, B.E. 2542 (1999) (the "**FBA**"). While manufacturing activities (including intelligent controllers and loT hardware modules manufacturing) are not restricted under the FBA, certain ancillary service activities may fall within List Three of the FBA and may require further assessment.

The Thai Subsidiaries' entitlement to investment incentives, including tax exemptions, import duty exemptions and foreign ownership privileges, is governed by the Investment Promotion Act, B.E. 2520 (1977), as amended (the "**IPA**"), and the conditions set out in the relevant BOI promotional certificates. Compliance with both general and project-specific conditions under the BOI promotion is essential to maintain such privileges.

As the operations involve industrial manufacturing, the Thai Subsidiaries are also subject to the Factory Act, B.E. 2535 (1992), as amended, and related ministerial regulations, which regulate factory licensing, operational conditions and regulatory supervision by the Department of Industrial Works.

In relation to employment and workforce management, the Thai Subsidiaries are subject to the Labour Protection Act, the Social Security Act, the Workmen's Compensation Act, and the Occupational Safety, Health and Environment Act, which govern employee welfare, social security contributions, workplace safety and employer obligations. The employment of foreign personnel is further regulated by the Royal Ordinance Concerning the Management of Employment of Foreign Workers.

Given the nature of our Group's manufacturing and export-oriented business, the Thai Subsidiaries are also subject to the Customs Act and the Trade Controls of Weapons of Mass Destruction Related Items Act, which regulate import/export procedures and control of sensitive goods.

The Thai Subsidiaries' operations further involve the handling of personal data (including employee data), and are therefore subject to the Personal Data Protection Act, B.E. 2562 (2019) (the "**PDPA**").

In addition, our Group is subject to the Trade Competition Act in relation to anti-competitive conduct, the Revenue Code in relation to corporate income tax, value added tax, withholding tax and transfer pricing requirements, and the Thailand-China Double Taxation Agreement in respect of cross-border tax matters.

Finally, land ownership and usage are governed by the Land Code, and cross-border fund flows and foreign exchange transactions are regulated under the Exchange Control Act and the relevant regulations issued by the Bank of Thailand.

LAWS AND REGULATIONS IN NEW ZEALAND

Corporate and Financial Reporting: The incorporation, corporate governance and ongoing statutory compliance of New Zealand companies are principally governed by the Companies Act 1993 and, where a company has adopted one, the constitution of that company. A company may have a constitution but does not have to. If a company has a constitution, the company, the board, directors and shareholders have the rights, powers, duties and obligations set out in the Companies Act 1993 except to the extent they are negated or modified, in accordance with the Companies Act 1993, by the constitution. The constitution has no effect to the extent it is inconsistent with the Companies Act 1993 and it is binding as between the company and each shareholder, and among the shareholders, in accordance with its terms. Directors must not act, or agree to the company acting, in a manner that contravenes the Companies Act 1993 or the company's constitution. In general terms, the Companies Act 1993 also establishes (among other things) requirements relating to maintaining statutory registers and corporate records, required filings and notifications with the Registrar of Companies, directors' duties, and procedural and substantive requirements for certain corporate actions.

Employment and Workplace Relations: Employment relationships in New Zealand are principally governed by the Employment Relations Act 2000. In general terms, it establishes the legal framework for employment relationships, including obligations of good faith between employers, employees, and unions, requirements for individual employment agreements, union

rights, obligations relating to restructuring, dismissal, and consultation processes, and a framework for resolving employment disputes. New Zealand employment law typically requires employer decisions affecting employees to be tested both for substantive justification and for fair process. The statutory regime also places strong emphasis on early resolution of employment relationship problems, with mediation playing a central role before formal proceedings in the Employment Relations Authority or Employment Court.

Health and Safety: Workplace health and safety in New Zealand is principally governed by the Health and Safety at Work Act 2015 and related regulations. In general terms, these require a person conducting a business to ensure, so far as is reasonably practicable, the health and safety of workers and other persons who may be affected by the work. The regulations include requirements relating to general risk management and worker engagement and participation, and include specific requirements relating to hazardous substances where they are present. The regime is built around proactive identification and management of work risks, rather than only responding after an incident has occurred. It also places distinct duties on officers to exercise due diligence, and gives particular importance to worker engagement and participation in health and safety matters.

Hazardous Substances and Environmental Regulation: The use, storage, and manufacture of hazardous substances in New Zealand is principally regulated by the Hazardous Substances and New Organisms Act 1996 and associated controls. Environmental effects of activities at a site, including discharges and other environmental impacts, are regulated through the Resource Management Act 1991, including regional and district plan rules and any site specific resource consents that apply.

Privacy: The collection, use, storage, and disclosure of personal information in New Zealand is principally regulated by the Privacy Act 2020. In general terms, the Privacy Act 2020 imposes obligations in relation to how personal information is handled, and includes mandatory reporting requirements for notifiable privacy breaches in certain circumstances.

Competition and Consumer Rights: Competition law in New Zealand is principally governed by the Commerce Act 1986, which prohibits certain anti competitive conduct including cartel conduct. The Fair Trading Act 1986 prohibits misleading or deceptive conduct in trade and regulates certain unfair practices. The Consumer Guarantees Act 1993 imposes statutory guarantees and consumer remedies for goods and services sold to consumers.

Trade, Customs, Export Controls and Sanctions: Imports and exports to and from New Zealand are regulated by the Customs and Excise Act 2018, which provides for import and export entry requirements, record keeping, and enforcement. Export of certain strategic goods may be prohibited unless the required permission is obtained under the Customs Export Prohibition (Strategic Goods) Order 2021. New Zealand sanctions measures relevant to counterparties, goods, services, and destinations may apply under the Russia Sanctions Act 2022 and regulations made under it.

Intellectual Property: Intellectual property in New Zealand is principally governed by the Patents Act 2013, the Trade Marks Act 2002, the Designs Act 1953, and the Copyright Act 1994. Patents, trade marks, and registered designs are obtained through registration under the relevant statute and are recorded on registers maintained by the Intellectual Property Office of New Zealand. Copyright arises under the Copyright Act 1994 on the creation of a qualifying work and does not require registration.

Tax: New Zealand tax obligations are principally governed by the Income Tax Act 2007 and the Tax Administration Act 1994, which together provide for (among other things) the assessment and payment of income tax, tax filing and record keeping obligations, and the administration and enforcement of tax obligations. Goods and services tax is imposed under the Goods and Services Tax Act 1985. Employer obligations relating to KiwiSaver are addressed under the KiwiSaver Act 2006.

REGULATORY OVERVIEW

U.S. ECONOMIC SANCTIONS AND EXPORT CONTROLS

Certain of our business activities may be subject to U.S. economic sanctions administered by the Office of Foreign Assets Control ("**OFAC**") and U.S. export control laws administered by the Bureau of Industry and Security ("**BIS**"), to the extent that such activities involve a U.S. nexus, including dealings with U.S. persons, U.S.-origin goods, software or technology, or transactions settled through the U.S. financial system.

OFAC administers sanctions programms that generally prohibit U.S. persons from engaging in transactions with designated persons or sanctioned jurisdictions, including persons listed on the Specially Designated Nationals and Blocked Persons ("**SDN**") List. In addition, under OFAC's "50% Rule", any entity that is owned, directly or indirectly, individually or in the aggregate, 50% or more by one or more SDNs is itself treated as an SDN, even if such entity is not expressly named on the SDN List, and dealings with such entity by U.S. persons are generally prohibited.

Separately, U.S. export control laws and the Export Administration Regulations ("**EAR**") regulate the export, re-export and transfer of certain goods, software and technology. BIS maintains the Entity List, which imposes additional licensing requirements on exports and transfers of items subject to the EAR to designated entities, with licence applications often subject to a presumption of denial. In September 2025, BIS published the BIS Affiliates Rule, which extended certain export licensing requirements to non-listed foreign affiliates owned or controlled by entities designated on the Entity List or the Military End User List. While the implementation of the BIS Affiliates Rule has been temporarily suspended, it may be reinstated in the future and could further expand the scope of export control restrictions. Failure to comply with applicable U.S. sanctions and export control laws may result in significant civil or criminal penalties. We have implemented internal compliance procedures to monitor and manage potential sanctions and export control risks in connection with our business operations.

As advised by our International Sanctions Counsel, our export sales and procurement activities may involve U.S.-nexus elements (such as U.S.-origin inputs and international payment flows) and therefore require ongoing monitoring of sanctions and export control developments. Our International Sanctions Counsel further advised that, our final products are generally not subject to the EAR, and our Russia and Belarus sales during the Track Record Period did not infringe U.S. sanctions or U.S. export controls. Nevertheless, changes in applicable sanctions, export controls, tariff policies or customer/supplier status may affect our procurement, export arrangements, downstream demand and supply chain stability. We manage these risks through trade compliance policies, restricted party screening and escalation procedures, and by monitoring developments in relevant jurisdictions.