
REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

We are subject to various laws, regulations, and administrative rules in the People’s Republic of China that affect many aspects of our business operations. This section summarizes the principal PRC laws, regulations, and rules that we believe are relevant to our business and operations.

Company Establishment, Foreign Investment Administration and Overseas Investment

Pursuant to the *Company Law of the People’s Republic of China* (the “Company Law”), promulgated by the Standing Committee of the National People’s Congress (the “NPCSC”), most recently amended in December 2023, and effective on July 1, 2024, companies established in China may take the form of limited liability companies or joint stock limited companies, and the *Company Law* applies to all companies established in China.

Foreign Investment Administration

The *Foreign Investment Law of the People’s Republic of China* (the “Foreign Investment Law”), promulgated by the National People’s Congress (the “NPC”) on March 15, 2019 and effective on January 1, 2020, defines “foreign investment” as investment activities conducted directly or indirectly within the territory of China by foreign natural persons, enterprises or other organisations (the “foreign investors”). In December 2019, the State Council promulgated the *Regulations for the Implementation of the Foreign Investment Law of the People’s Republic of China* (the “Implementation Regulations”), which took effect in January 2020. The *Implementation Regulations* further clarify that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continuously optimizes the foreign investment environment, and advances a higher level of opening-up.

Foreign investment activities within China are primarily subject to the *Special Administrative Measures (Negative List) for Foreign Investment Access* (2024 Edition) (the “Negative List”) and the *Catalog of Encouraged Industries for Foreign Investment* (2025 Edition) (the “Catalog of Encouraged Industries”). The *Measures for Foreign Investment Information Reporting* were issued by the Ministry of Commerce and the State Administration for Market Regulation (the “SAMR”) on December 30, 2019 and took effect on January 1, 2020. Where foreign investors conduct investment activities directly or indirectly within China, they shall report investment information in accordance with the *Measures for Foreign Investment Information Reporting*, submitting initial reports, change reports, deregistration reports and annual reports to the competent commerce authorities.

The National Development and Reform Commission (the “NDRC”) and the MOFCOM jointly issued the Negative List on 6 September 2024, which became effective on 1 November 2024, constituting the special administrative measures for the entry of foreign investment in the restricted or prohibited industries for foreign investment. According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments. Since we are a commodity trading service provider and trader, our PRC Legal Advisor is of the view that our business operations do not fall within the restricted or prohibited sectors under the Negative List.

Overseas Investment

Pursuant to the *Regulations on Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions* promulgated by SAFE on July 13, 2009 and came into effect on August 1, 2009, domestic institutions may apply for foreign exchange registration for overseas direct investment upon approval of overseas investment. In addition, the SAFE promulgated the *Notice on Further Simplifying and Improving the Foreign Exchange Administration Policy for Direct Investment* on February 13, 2015 and implemented on June 1, 2015, canceling the administrative license for foreign exchange registration and approval of overseas direct investment, and banks have the right to directly examine and handle foreign exchange registration of overseas direct investment. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

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Pursuant to the *Measures for the Administration of Overseas Investment* promulgated by the Ministry of Commerce on September 6, 2014 and came into effect on October 6, 2014, the Ministry of Commerce and the competent commerce authorities at the provincial level shall approve or file the overseas investment of enterprises based on the actual situation of the investment. Overseas investments involving sensitive countries or regions and sensitive industries shall be subject to approval management. Overseas investments under other circumstances shall be subject to filing management.

According to the *Measures for the Administration of Overseas Investment of Enterprises* promulgated by the National Development and Reform Commission (the “NDRC”) on December 26, 2017 and came into effect on March 1, 2018, where an enterprise located within the territory of the People’s Republic of China obtains overseas ownership, right of control, business management right, and other related rights and interests, either directly or via an overseas enterprise under its control, by way of investments with assets or equities or providing financing or guarantees, shall be complied with approval and filing of overseas investment project, reporting relevant information and cooperating with the supervision and inspection.

Road Transport Operations

Pursuant to the *Regulations of the People’s Republic of China on Road Transport*, promulgated by the State Council on April 30, 2004 and most recently amended on July 20, 2023, and the *Provisions on the Administration of Road Freight Transport and Terminals* (the “Road Freight Provisions”), issued by the Ministry of Transport on June 16, 2005 and most recently amended on November 10, 2023, road freight transport operations refer to road freight transport activities that provide public services to society and are conducted on a commercial basis. Pursuant to the *Road Freight Provisions*, where the competent transport authorities approve an application for road freight transport operations that meets the statutory conditions, they shall issue an *Administrative Licensing Decision for Road Freight Transport Operations* and grant the licensee a *Road Transport Operation Permit*. Entities using general freight vehicles with a gross vehicle weight of 4,500 kilograms or less to engage in general freight transport operations are not required to obtain a *Road Transport Operation Permit* or a *Road Transport Certificate*.

International Freight Forwarding and Domestic Transport

International Freight Forwarding

Pursuant to the *Interim Measures for the Record-filing Administration of International Freight Forwarding Enterprises*, issued by the Ministry of Commerce on March 2, 2005 and most recently amended on August 18, 2016, international freight forwarding enterprises and their branches that are lawfully registered with the competent market regulation authorities (the “International Freight Forwarding Enterprises”) are required to complete record-filing procedures with the Ministry of Commerce or its authorized institutions.

Non-vessel Operating Common Carrier Business

Pursuant to the *Regulations of the People’s Republic of China on International Maritime Transport* (the “International Maritime Transport Regulations”), promulgated by the State Council on December 11, 2001 and most recently amended on September 28, 2025, and the *Implementing Rules of the Regulations of the People’s Republic of China on International Maritime Transport*, issued by the Ministry of Transport on January 20, 2003 and most recently amended on November 10, 2023, “non-vessel operating common carrier business” refers to international maritime transport business activities whereby a non-vessel operating common carrier, acting as a carrier, accepts goods from shippers, issues its own bills of lading or other transport documents, collects freight charges other service remuneration from shippers, completes international maritime freight transport through international shipping operators and other operators with other modes of transport, and assumes carrier liabilities.

Entities engaging in non-vessel operating common carrier business are required to complete record-filing procedures with the competent transport authorities of the people’s governments at the provincial, autonomous region or municipal level within 15 days from the date of commencement of business operations.

Where a business operator fails to complete the required record-filing procedures in accordance with applicable laws and regulations, the competent transport authorities under the State Council or those under the relevant provincial, autonomous region or municipal people’s

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governments may order such operator to complete the record-filing procedures within a prescribed time limit. Failing to comply within the prescribed time limit, the operator may be subject to administrative penalties, including a fine ranging from RMB10,000 to RMB50,000, and may also have its relevant qualifications revoked.

Customs Declaration, Import and Export

Customs Declaration

Pursuant to the *Customs Law of the People’s Republic of China*, promulgated by the Standing Committee of the National People’s Congress on January 22, 1987 and most recently amended on April 29, 2021, the Customs of the People’s Republic of China is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory. All means of transport, goods, and items entering or leaving the territory must pass through locations where Customs is established.

Pursuant to the *Administrative Provisions of the Customs of the People’s Republic of China on Record-Filing of Customs Declaration Entities*, issued by the General Administration of Customs of China (the “GACC”) on November 19, 2021 and effective on January 1, 2022, consignors, consignees and customs declaration enterprises applying for customs record-filing shall obtain market entity qualification. In addition, consignors and consignees applying for customs record-filing shall also obtain record-filing as foreign trade operators. Pursuant to the *Announcement on the Full Integration of Customs Declaration Entity Registration into the “Multiple Certificates in One” Reform*, jointly issued by the GACC and the State Administration for Market Regulation on December 20, 2021 and effective on January 1, 2022, applicants completing market entity registration with the market regulation authorities are required to simultaneously complete customs declaration entity record-filing. Applicants shall select the customs declaration record-filing option and provide the supplementary record-filing information as required.

Import and Export

Pursuant to the *Foreign Trade Law of the People’s Republic of China*, promulgated by the Standing Committee of the National People’s Congress on May 12, 1994, most recently amended on December 27, 2025, and effective on March 1, 2026, the State Council’s competent authorities for foreign trade are responsible for the administration of foreign trade nationwide. Within the scope permitted by law, the State Council’s competent authorities for foreign trade, or such authorities jointly with other relevant departments of the State Council, may, with State Council approval, temporarily restrict or prohibit the import or export of specific goods or technologies not listed in the aforementioned catalogues.

Pursuant to the *Notice on Matters Related to the Registration of Consignors and Consignees of Import and Export Goods*, issued by the GACC on January 3, 2023 and effective on the same date, and the *Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities*, issued by the GACC on November 19, 2021 and effective on January 1, 2022, commencing January 3, 2023, consignors, consignees, and customs declaration enterprises applying for record-filing shall obtain market entity qualification, and no longer require separate record-filing as foreign trade operators.

Real Property and Property Leasing

Real Property

Pursuant to the *Civil Code of the People’s Republic of China* (the “Civil Code”) promulgated by the National People’s Congress on May 28, 2020 and effective on January 1, 2021, the establishment, modification, transfer and extinction of real property rights that are required by law to be registered shall take effect upon their registration in the real property register. The real property ownership certificate serves as evidence of the holder’s entitlement to the relevant real property rights.

Property Leasing

Pursuant to the *Administrative Measures for the Leasing of Commodity Housing*, issued by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on December 1, 2010 and effective on February 1, 2011, within 30 days after the execution of a property leasing contract, the parties to the leasing contract shall complete registration and record-filing procedures

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with the competent construction (real property) authorities of the people’s governments at the municipal, prefectural or county level in the location where the leased property is situated. Where the parties fail to complete such registration and record-filing procedures, the competent construction (real property) authorities of the people’s governments at the municipal, prefectural or county level shall order rectification within a prescribed time limit. If an individual fails to rectify within such time limit, a fine of up to RMB1,000 may be imposed; if an entity fails to rectify within such time limit, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

Pursuant to the *Civil Code of the People’s Republic of China*, a lessee may sublease the leased property to a third party with the consent of the lessor. Where a property is subleased, the leasing contract between the lessee and the lessor shall remain valid. Where a lessee subleases the property without the consent of the lessor, the lessor is entitled to terminate the leasing contract. In addition, where the lessor transfers ownership of the leased property, the leasing contract between the lessee and the lessor shall remain valid. Where a property has been leased or its ownership has been transferred prior to the creation of a mortgage, the previously established leasing relationship shall not be affected by such mortgage.

Data Security, Cybersecurity and Data Privacy Protection Regulations

The *Civil Code of the People’s Republic of China* explicitly stipulates that the personal information of natural persons is protected by law. The *Data Security Law of the People’s Republic of China*, promulgated by the Standing Committee of the National People’s Congress on June 10, 2021 and effective on September 1, 2021, requires that important data processors shall designate responsible personnel and management structures for data security and implement data security protection responsibilities. The *Cybersecurity Law of the People’s Republic of China*, promulgated on November 7, 2016, most recently amended on October 28, 2025, and effective on January 1, 2026, requires that network operators shall perform cybersecurity obligations and take technical and other necessary measures to ensure network security and stability. The *Personal Information Protection Law of the People’s Republic of China*, promulgated by the Standing Committee of the National People’s Congress on August 20, 2021 and effective on November 1, 2021, establishes clear regulations governing activities such as the collection and processing of personal information. The *Measures for the Graded Protection of Information Security*, issued and implemented by the Ministry of Public Security, National Administration of State Secrets Protection and other authorities on June 22, 2007, require information systems to be assigned one of five security levels. The *Cybersecurity Review Measures* (2021), jointly issued by the Cyberspace Administration of China and twelve other regulatory authorities on December 28, 2021 and effective on February 15, 2022, clarify the applicable scenarios for cybersecurity reviews and specify regulatory requirements. The *Regulations on the Administration of Network Data Security*, promulgated by the State Council on September 24, 2024 and effective on January 1, 2025, reiterate the general requirements applicable to data processing activities, the rules on personal information protection, the security protection requirements for important data, the regulatory framework for cross-border transfer of network data, and the obligations of internet platform service providers. The *Measures for the Administration of Personal Information Protection Compliance Audits*, issued by the Cyberspace Administration of China on February 12, 2025 and effective on May 1, 2025, clarifies that personal information protection compliance audits refer to the review, evaluation and supervision activities conducted on personal information processors in respect of their personal information processing activities.

The foregoing provisions set out comprehensive requirements on data processors with respect to the collection, processing, storage, use, and security management of data within the territory of China. Specifically, with respect to data collection, the collection methods must be lawful. For the collection of personal information, the scope of collection shall be limited to the minimum extent necessary to achieve the stated purpose. Data processors must fulfill their notification obligations to individuals and obtain their consent, or ensure that the collection falls within a scenario permitted by law. With respect to data processing, data processing activities must be conducted in accordance with the law and in compliance with applicable regulations. For the processing of personal information, the method that has the minimum impact on the rights and interests of individuals shall be adopted. Data processors are required to establish and improve a full-process data security management system and implement corresponding technical safeguard measures. With respect to data storage, the principle of domestic storage shall apply. Where it is necessary to provide data to overseas parties, the statutory procedures must be followed. Meanwhile, security measures such as backup and encryption shall be adopted to ensure data security. With respect to data use, data must be used lawfully and shall not harm the legitimate rights and interests of society or other individuals or organizations. For personal information, use shall not exceed the minimum scope necessary to achieve the purpose of processing. With respect to data security management, data security

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responsibility subjects must be clearly identified, a full-process security management system must be established, and technical preventive measures must be adopted to retain operation logs. Regular risk assessments and emergency drills shall be conducted to prevent unauthorized access and misuse.

In addition, China has established a dedicated regulatory framework for cross-border data transfer activities. The *Measures for the Security Assessment of Outbound Data Transfers*, issued by the Cyberspace Administration of China on July 7, 2022 and effective on September 1, 2022, require data processors to apply for a security assessment before transferring data overseas if the specific scale thresholds prescribed under these Measures are met. The *Regulations on Promoting and Standardizing Cross-border Flows of Data*, issued by the Cyberspace Administration of China on March 22, 2024 and effective on the same date, further clarify implementation and coordination of existing cross-border data transfer mechanisms.

Based on the foregoing cross-border transfer regulatory requirements, a data processor's outbound data transfers must comply with the following specific requirements: where a critical information infrastructure operator provides personal information or important data overseas, or where a non-critical information infrastructure operator provides important data overseas, or where any non-critical information infrastructure operator has, since January 1 of the current year, cumulatively provided personal information (excluding sensitive personal information) of more than 1 million individuals or sensitive personal information of more than 10,000 individuals overseas, it shall apply to the national cyberspace administration via the provincial cyberspace administration at its place of domicile for a data outbound security assessment. Where a data processor other than a critical information infrastructure operator has, since January 1 of the current year, cumulatively provided personal information (excluding sensitive personal information) of 100,000 or more but fewer than 1 million individuals, or sensitive personal information of fewer than 10,000 individuals overseas, it shall, in accordance with the law, enter into a standard contract for outbound transfer of personal information with the overseas recipient and submit the Standard Contract to the provincial cyberspace administration at its locality for filing, or obtain personal information protection certification. For outbound data transfer activities that fall within statutory exemption scenarios, such as concluding or performing a contract to which the individual is a party, implementing cross-border human resources management in accordance with the law, protecting the life, health, and property safety of a natural person in an emergency, or where a non-critical information infrastructure operator has, since January 1 of the current year, cumulatively provided fewer than 100,000 individuals' personal information (excluding sensitive personal information) overseas, such activities may be exempted from the requirements of applying for a security assessment, entering into a standard contract, or obtaining certification.

Futures and Derivatives Trading

The *Futures and Derivatives Law of the People's Republic of China*, effective on August 1, 2022, aims to regulate futures and safeguards derivatives trading activities, protects the lawful rights and interests of all parties, and safeguards market order and the public interest. In addition, to prevent market risks, the *Regulations on the Administration of Futures Trading*, promulgated by the State Council on March 6, 2007 and latest amended on March 1, 2017, together with relevant guidelines issued by the CSRC, set out principle-based requirements for risk management systems in the futures market, including centralized trading and so on. Futures trading must be conducted on futures exchanges lawfully established or at venues approved by the State Council.

Labor Protection, Social Security and Housing Provident Fund

Pursuant to the *Labor Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on July 5, 1994, and amended on December 29, 2018, the *Labor Contract Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on June 29, 2007, amended on December 28, 2012, and implemented from July 1, 2013, and the *Regulations on Implementation of the Labor Contract Law of the People's Republic of China*, promulgated by the State Council on September 18, 2008, employers are required to enter into written labor contracts with employees. In addition, employee wages shall not be lower than the local minimum wage standards.

Pursuant to the *Social Insurance Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on October 28, 2010, amended on December 29, 2018, the *Interim Regulations on the Collection and Payment of Social Insurance Premiums*, promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the *Regulations on Administration of Housing Provident Funds*, promulgated by the State Council on

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April 3, 1999 and amended on March 24, 2019, employers are required to complete the procedures for opening social insurance accounts and housing provident fund accounts within 30 days of establishment, and to make contributions for employees to social insurance, and the housing provident fund. Employers that fail to make contributions in accordance with applicable regulations may be subject to fines and ordered to make up the outstanding payments within a prescribed period.

Tax Regulations

Enterprise Income Tax

Pursuant to the *Law of the People’s Republic of China on Enterprise Income Tax* (the “EIT Law”), promulgated by the National People’s Congress on March 16, 2007, effective on January 1, 2008, and amended on December 29, 2018, and the *Regulations on the Implementation of the Law of the People’s Republic of China on Enterprise Income Tax*, promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024, enterprises established under PRC laws or established under foreign (or regional) laws but having their de facto management bodies located within China shall be regarded as resident enterprises. Resident enterprises are subject to enterprise income tax at a rate of 25% on their income derived from both within and outside China. Preferential enterprise income tax rates apply to key industries or projects supported or encouraged by the state. State-recognized high-tech enterprises are eligible for a preferential corporate income tax rate of 15%.

Value-Added Tax

Pursuant to the *Value-Added Tax Law of the People’s Republic of China* (the “VAT Law”), promulgated by the Standing Committee of the National People’s Congress on December 25, 2024 and effective on January 1, 2026, the VAT rate for general VAT taxpayers on the sale of goods, provision of processing and repair services, leasing of tangible movable property, or importation of goods is adjusted to 13%. The VAT rate for general VAT taxpayers engaged in transportation services, postal services, basic telecommunications services, construction services, the sale or leasing of immovable property, and the transfer of land use rights is adjusted to 9%.

Transfer Pricing

Pursuant to the *EIT Law* and its implementing regulations, the *Law of the People’s Republic of China on the Administration of Tax Collection*, as amended by the Standing Committee of the National People’s Congress on April 24, 2015 and effective on the same date, and the *Rules for the Implementation of the Law of the People’s Republic of China on the Administration of Tax Collection*, as amended by the State Council on February 6, 2016 and effective on the same date, transactions between associated enterprises shall be conducted in accordance with the arm’s length principle.

Pursuant to the *Public Notice of the State Taxation Administration on Matters Regarding Refining the Filing of Related Party Transactions and Administration of Contemporaneous Transfer Pricing Documentation*, issued and effective on June 29, 2016, enterprises engaging in related-party transactions and meeting the relevant conditions are required to prepare contemporaneous documentation for each tax year and submit such documentation to the tax authorities as required. Such contemporaneous documentation includes master files, local files and special issue files. Pursuant to the *Administrative Measures of Special Tax Investigation and Adjustment and Mutual Agreement Procedure*, issued by the State Taxation Administration on March 17, 2017, amended on June 15, 2018, enterprises that receive special tax adjustment risk alerts or identify potential special tax adjustment risks may make voluntary self-adjustments and pay additional taxes accordingly. The tax authorities may also conduct special tax investigation adjustments on enterprises that have voluntarily made adjustments and paid additional taxes, in accordance with relevant regulations.

H-share Full Circulation Regulations

“Full circulation” refers to the listing and trading of domestic unlisted shares of H-share listed companies on the stock exchange, including domestic unlisted shares held by domestic shareholders before overseas listing, domestic unlisted shares issued after overseas listing, and unlisted shares held by overseas shareholders. On August 10, 2023, the China Securities Regulatory Commission (“CSRC”) issued the *Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies* (2023 Revision) (“Full Circulation Guidelines”).

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On December 31, 2019, China Securities Depository and Clearing Corporation Limited (“CSDC”) and the Shenzhen Stock Exchange (“SZSE”) jointly issued the *Implementation Rules for H-share “Full Circulation” Business* (“Implementation Rules”). All relevant operations pertaining to H-share Full Circulation business, including cross-border share transfer registration, custody maintenance, trading entrustment and order routing, settlement, settlement participant management, and nominee holder services, are required to comply with these *Implementation Rules*.

The Shenzhen Branch of China Securities Depository and Clearing Corporation Limited issued the *Business Guide for H-share “Full Circulation” of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited* on February 7, 2020. This Guide was most recently revised and became effective on June 30, 2025. It clarifies matters related to business preparation, account arrangements, cross-border share transfer registration, and overseas centralized custody, among others. In February 2020, China Securities Depository and Clearing (Hong Kong) Corporation (“CSDC Hong Kong”) issued the *Business Guide for H-share “Full Circulation” of China Securities Depository and Clearing (Hong Kong) Corporation*. This Guide, most recently revised on September 20, 2024, clarifies matters related to custody, the transition of the H-share Full Circulation regime from an approval-based system to a filing-based system, and other relevant issues.

Overseas Securities Issuance and Listing Regulations

On February 17, 2023, the CSRC issued the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (the “Measures”) and five supporting rules. The Measures came into effect on March 31, 2023. On May 16, 2023, the CSRC issued a sixth guideline, which came into effect on the same day. The Measures comprehensively reformed the regulatory system for direct or indirect overseas securities offering and listing by domestic companies, shifting it to a filing-based system.

Under the Measures, domestic companies that offer and list securities on overseas markets, whether directly or indirectly, shall file a record with the CSRC and report relevant information. The Measures explicitly stipulate the circumstances under which overseas offering and listing is prohibited.

Where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing.

If any of the following material events occur after an issuer’s overseas offering and listing, the issuer shall report the details to the CSRC within three working days from the date of the occurrence and announcement of the relevant event: (i) change in control; (ii) investigation, penalties or other measures taken by overseas securities regulatory authorities or relevant competent authorities; (iii) the conversion of listing status or the transfer of listing board; (iv) voluntary or compulsory termination of listing. If any material change in the principal business and operation of the issuer after its overseas offering and listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within three working days after the occurrence of the relevant change to provide an explanation of the relevant situation.

On February 24, 2023, the CSRC and other competent government authorities issued the *Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies* (the “Confidentiality Provisions”), which took effect on March 31, 2023. According to the Confidentiality Provisions, when a domestic company provides or publicly discloses, or causes its overseas listing vehicle to provide or publicly disclose, documents and materials containing state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies, or other entities and individuals, it shall, in accordance with the law, apply for approval from the competent authority with the power of review and approval, and file a record with the confidentiality administrative department at the same level.

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LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Trade

The Trade Descriptions Ordinance prohibits, among others, the use of false trade descriptions, the provision of false, misleading or incomplete information, and misstatements in respect of goods and services. It also criminalizes certain unfair trade practices, including misleading omissions, aggressive commercial practices, bait advertising, bait and switch, and wrongful acceptance of payment.

Personal Data

The Personal Data (Privacy) Ordinance governs the collection, use and protection of personal data and imposes obligations on data users to comply with the six data protection principles, including requirements relating to lawful and purpose-specific collection, data accuracy and retention, restrictions on use, data security, transparency of policies, and data access and correction rights.

Employment

The Employment Ordinance governs the general conditions of employment in Hong Kong and provides for statutory employee protections and benefits, including wages, rest days, paid holidays, annual leave, sickness allowance, maternity protection, paternity leave, severance payment and long service payment. Pursuant to the Employees’ Compensation Ordinance, employers are liable to compensate employees for injuries arising out of and in the course of employment, as well as prescribed occupational diseases. Employers are also required to maintain valid insurance coverage for such liabilities in accordance with the statutory requirements.

LAWS AND REGULATIONS RELATING TO OUR OPERATIONS IN SINGAPORE

Import and Export

The Regulation of Imports and Exports Act 1995 of Singapore (the “**RIEA**”) and its subsidiary legislation regulate the import, export and transshipment of goods in Singapore. The RIEA is administered by the Director-General of Customs under the Customs Act 1960, and enforced by Singapore Customs.

Under the Regulation of Imports and Exports Regulations (the “**RIER**”), promulgated under the RIEA, no goods may be imported into, exported out of, or transhipped in Singapore without a permit, unless otherwise exempted. Permit applications must be submitted in the prescribed form by the relevant party. Permits may be granted subject to conditions imposed by the Director-General of Customs.

A breach of the permit requirements constitutes an offense. Upon conviction, a first offense is punishable by a fine of up to S\$100,000 or three times the value of the goods involved, whichever is higher, and/or imprisonment of up to two years. Repeat offences attract higher penalties, including fines of up to S\$200,000 or four times the value of the goods, and/or imprisonment of up to three years.

The RIEA also prohibits the use of false or misleading trade descriptions. Any person who applies or deals in goods bearing an incorrect trade description commits an offense and is liable to fines and/or imprisonment. Trade descriptions include representations relating to the origin, manufacture or production of goods.

Personal Data Protection

The Personal Data Protection Act 2012 of Singapore (the “**PDPA**”) governs the collection, use and disclosure of personal data. It is administered and enforced by the Personal Data Protection Commission (the “**PDPC**”). The PDPA imposes key obligations on organizations, including requirements relating to consent, purpose limitation, protection, retention and accountability. Organizations must obtain consent before collecting, using or disclosing personal data, and must implement reasonable safeguards to protect such data from unauthorized access, use or disclosure.

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Non-compliance may result in enforcement action by the PDPC, including financial penalties. For breaches of data protection obligations, penalties may reach up to 10% of an organization’s annual turnover in Singapore for larger organizations, or up to S\$1 million in other cases.

Employment

The Employment Act 1968 of Singapore (the “EA”) is the primary legislation governing employment. It is administered by the Ministry of Manpower (the “MOM”) and sets out the basic terms and conditions of employment.

Part IV of the Employment Act governs working hours, leave and other conditions of service for certain employees below specified salary thresholds, while Part X provides for paid public holidays and sick leave for all employees covered, regardless of salary level. Following the amendments to the Employment Act, all employers must issue key employment terms (the “KETs”) in writing to employees covered under the Employment Act employed on or after April 1, 2026. KETs which are not applicable to specific employees may be excluded from their contracts. Non-compliance may result in fines and/or imprisonment.

LAWS AND REGULATIONS RELATING TO INTERNATIONAL SANCTIONS

United States

The Office of Foreign Assets Control (“OFAC”) is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. “Primary” U.S. sanctions apply to “U.S. 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.

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 except pursuant to an authorization or license from OFAC. OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities 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) are also blocked, regardless of whether that entity is expressly named on the SDN List.

U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. The United States has increased export controls restrictions on China through the EAR, administered by BIS. Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U. S.-origin items, or otherwise subject to the foreign direct product rules, would be subject to the EAR export restrictions. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR is generally prohibited unless the specified license requirements are met. In addition, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use.

U.S. OUTBOUND INVESTMENT RULE

The Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “OIR”) which became effective on January 2, 2025. The OIR implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems (“AI systems”) with applications that pose national security risks, collectively defined as “Covered Foreign Persons”. The program would prohibit U.S. persons from undertaking certain transactions or require notification by U.S. persons on certain investments in Covered Foreign Persons. As advised by our International Sanctions Legal Advisor, given that we did not design, develop or engage in all three sectors listed above, we are unlikely to be viewed as a “Covered Foreign Person”. On the basis that we are unlikely to be viewed as a “Covered Foreign Person”, investments made by a U.S. persons in our shares should not constitute a “Covered Transaction” as defined under the OIR.