

REGULATORY OVERVIEW

This section provides an overview of the major laws, regulations and rules relevant to our business in relevant jurisdictions. The information contained herein shall not be interpreted as a comprehensive summary of all laws and regulations applicable to us.

RELEVANT LAWS AND REGULATIONS IN THE PRC

PRC Regulatory Overview

Our business operations in the PRC are subject to relevant laws and regulations as well as supervision by government authorities. This section provides an overview of the major relevant laws, regulations, rules and policies that may have a significant impact on our business operations in the PRC.

Primary Regulatory Authorities

In addition to being subject to the supervision of authorities that generally regulate companies in the PRC, the Company’s operations in the PRC are primarily supervised and administered by the following authorities:

Ministry of Industry and Information Technology (MIIT)

The primary responsibilities of the MIIT include, among others: proposing industrial development strategies and policy recommendations; formulating and organizing the implementation of industrial plans and policies; drafting and releasing industry regulations and technical standards; establishing and implementing standards and policies for high-tech industries; promoting the development of emerging industries; and guiding relevant industries in strengthening safety production management.

National Development and Reform Commission (NDRC)

The primary responsibilities of the NDRC include, among others: organizing the formulation of comprehensive industrial policies; regulating and managing fixed-asset investment projects; proposing strategies and policies for utilizing domestic and foreign investment; and proposing the Negative List for Market Access of Foreign Investment.

Ministry of Commerce (MOFCOM)

The primary responsibilities of the MOFCOM include, among others: supervising and regulating foreign investment activities nationwide; formulating and implementing foreign investment policies; approving the establishment and changes to foreign-invested enterprises in accordance with applicable laws; formulating management measures and specific policies for outbound investment; and approving outbound investments by domestic enterprises in accordance with applicable laws.

The Company Law

Pursuant to the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**Company Law**”), which was initially implemented by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 29, 1993, most recently revised on December 29, 2023, and effective from July 1, 2024, both limited liability companies and companies limited by shares established within China possess legal person status. Shareholders of a limited liability company are liable to the company to the extent of their respective capital contributions, while shareholders of a company limited by shares are liable to the company to the extent of their respective subscribed shares. Unless the laws on foreign investment provide otherwise, the Company Law of the People’s Republic of China is also applicable to foreign-invested enterprises.

Laws and Regulations Relating to Production Safety and Product Quality

Pursuant to the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) amended by the SCNPC on June 10, 2021 and effective on September 1, 2021, production and operation entities shall: (1) abide by the law and other laws and regulations concerning production safety, reinforce the management of production safety, and set up a sound responsibility system for production safety of all employees and rules and regulations on production safety; (2) increase the input and guarantee of funds, materials, technologies, and personnel in terms of production safety, improve the conditions for production safety, strengthen the development of standards and adoption of information technologies for production safety; (3)

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build a dual prevention mechanism of level-to-level safety risk management and control and hidden danger identification and management, and perfect the risk prevention and resolution mechanism, to raise the production safety level and ensure production safety. Entities that do not meet the conditions for safe production shall not engage in production and operating activities.

The Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》) (the “**Product Quality Law**”) promulgated by the SCNPC on February 22, 1993 and last amended and effective on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the Product Quality Law, producers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them.

Pursuant to the Civil Code of the People’s Republic of China (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the National People’s Congress on May 28, 2020 and effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the producer or the seller of such product. If a defective product endangers the personal or property safety of others, the infringed party shall have the right to request the producer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

Laws and Regulations Relating to Cyber Security, Data Security and Personal Information Protection

The Administrative Measures for Classified Protection of Information Security (《信息安全等級保護管理辦法》) jointly promulgated by the Ministry of Public Security, the National Administration for the Protection of State Secrets, the State Cryptography Administration and the Informatization Office of the State Council on June 22, 2007, established the core framework for China’s classified protection system for information security. This framework adheres to the principle of “self-grading and self-protection,” requiring operators and users to classify their information systems into one of five security levels based on the degree of harm that would result to national security, social order, public interests, and the lawful rights of citizens and legal persons in the event of a breach.

The newly revised Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), promulgated on October 28, 2025 and effective from January 1, 2026, marks a significant enhancement of the country’s regulatory landscape for network security and data governance. A key revision is the formal incorporation of artificial intelligence governance and development into the legal framework, requiring related activities to adhere to established ethical norms and security assessments. The revised law significantly strengthens the linkage with other cornerstone legislation, such as the Civil Code and the Personal Information Protection Law, to create a more unified compliance system.

Crucially, the law elevates legal liabilities for violations. It introduces substantially higher maximum administrative fines for entities, expands the scope of punishable conduct, and explicitly enforces personal liability on directly responsible personnel, including directors and senior management. These changes collectively represent a shift towards a stricter, more comprehensive, and accountability-focused regulatory regime for all network operators.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and effective from September 1, 2021, provides that China shall establish a data classification and grading protection system, formulate the catalogs for important data to enhance its protection. The conduct of data handling activities shall comply with the provisions of laws and administrative regulations, establishing and completing a data security management system across all workflow, organizing and conducting data security education and training, adopting corresponding technical measures and other necessary measures to ensure data security, strengthening risk monitoring, taking immediately disposition measures and promptly reporting to relevant authorities when data security incidents occur. Processors of important data are required to specify the person responsible for data security and management agencies, implement data security protection responsibilities, periodically conduct risk assessments of such data handling activities as provided and submit risk assessment reports to the relevant authorities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data

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Security Law of the PRC and other applicable measures by illegally providing important data abroad, such company may be punished by administration sanctions, including penalties, fines, and/or may suspension of relevant business or revocation of the business license.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “PIPL”), which was promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021, integrates the scattered rules on personal information rights and privacy protection. The PIPL aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. Personal information, as defined by the PIPL, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The PIPL provides the conditions under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules regarding the obligations of a personal information processor, such as informing the individuals of the purpose and method of processing, and the obligation of the third party who has access to the personal information by way of co-processing or delegation.

On September 24, 2024, the State Council promulgated the Network Data Security Management Regulations (《網絡數據安全管理條例》), which took effect on January 1, 2025. The Network Data Security Management Regulations stipulate that network data processors whose network data processing activities affect or may affect national security shall be subject to national security review according to relevant national regulations.

Regulations on Cybersecurity Review

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), NDRC, the MIIT and other ten PRC regulatory authorities jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022. Cybersecurity review is triggered if: (i) CII operators’ procurement affects national security; (ii) Platform operators’ data processing affects national security; (iii) Platforms that possess personal information of more than one million users seek overseas listing.

Regulations on Cross-border Data Transfer

On July 7, 2022, the CAC promulgated the Measures for the Data Export Security Assessment (《數據出境安全評估辦法》), effective on September 1, 2022. The Measures for the Data Export Security Assessment requires the data processor providing data overseas to apply for the data export security assessment by the national cybersecurity administration authority through its local provincial counterpart if they fall under any of the following circumstances: (i) where the data processor intends to provide important data overseas; (ii) where the critical information infrastructure operator and any data processor who has processed personal information of more than 1,000,000 people intend to provide personal information overseas; (iii) where any data processor who has provided personal information of 100,000 people or sensitive personal information of 10,000 people to overseas recipients accumulatively since January 1 of the last year intends to provide personal information overseas; and (iv) other circumstances where the security assessment of data cross-border transfer is required as prescribed by the CAC.

According to the Measures for the Standard Contract for Outbound Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) issued by the CAC on February 22, 2023, and took effect on June 1, 2023, a personal information processor shall meet the following criteria to provide personal information to an overseas recipient through a Standard Contract executed: (i) not being a critical information infrastructure operator; (ii) handling personal information of fewer than one million individuals; (iii) having provided personal information of fewer than 100,000 individuals in aggregate to overseas recipients since January 1 of the previous year; and (iv) having provided sensitive personal information of fewer than 10,000 individuals in aggregate to any overseas recipients since January 1 of the previous year. Where it is otherwise provided in any law or administrative regulations, or by the national cyberspace

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authority, those provisions shall prevail. On March 22, 2024, the CAC issued Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》).

Under these provisions, data processors who provide data abroad, and meet any of the following conditions, are required to declare the data export security assessment with the national cybersecurity administration authority through its local provincial counterpart: (i) critical information infrastructure operators providing personal information or important data abroad; (ii) data processors other than critical information infrastructure operator providing important data abroad or cumulatively providing abroad personal information (without any sensitive personal information) of more than one million individuals, or sensitive personal information of more than 10,000 individuals since January 1 of the current year. Additionally, to provide personal information to an overseas recipient through a standard contract executed or with a personal information protection certification, a personal information processor shall meet the following criteria: (i) cumulatively exporting personal information (excluding sensitive personal information) of more than 100,000 but fewer than 1 million individuals since January 1 of the current year; or (ii) cumulatively exporting sensitive personal information of fewer than 10,000 individuals since January 1 of the current year. Besides the above, the Provisions on Facilitating and Regulating Cross-border Data Flows also outline certain circumstances under which the data processors are exempted to carry out the data export security assessment or standard contract/personal information protection certification requirements, loosening the regulations on personal information cross-border transfer.

Regulations on Import and Export

Promulgated by The General Administration of Customs of the PRC on November 19, 2021 and effective January 1, 2022, the Administrative Provisions of the Customs of the People’s Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) stipulates that entities applying for record-filing, whether as consignors/consignees of import/export goods or as customs declaration enterprises, must hold valid market entity status. If the submitted record-filing materials are complete and comply with the requirements upon review, the Customs shall complete the filing procedures within three business days. The record-filing information will be made public via the China Customs Import and Export Credit Information Publicity Platform.

Law and Regulations in Relation to Anti-Unfair Competition

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Competition Law**”), latest revised by the SCNPC and effective from October 15, 2025, acts of unfair competition refer to the acts of operators who, in the course of their production and operation activities, violate the provisions of the Anti-Unfair Competition Law to disrupt the order of competition in the market and harm the legitimate rights and interests of other operators or consumers. According to the Anti-Unfair Competition Law, operators shall follow the principles of voluntariness, equality, fairness and honesty in market transactions, and comply with the law and business ethics. Operators violating the provisions of the Anti-Unfair Competition Law shall be subject to civil, administrative or criminal liability depending on the circumstances.

According to the Interim Provisions of the State Administration for Industry and Commerce on Banning Commercial Bribery (《國家工商行政管理局關於禁止商業賄賂行為的暫行規定》) (“**Provisions on Banning Commercial Bribery**”) issued by the former State Administration for Industry and Commerce (國家工商行政管理總局), which came into effect on November 15, 1996, commercial bribery refers to the act of an operator bribing the other party’s entity or individual by means of property or other means for the purpose of selling or purchasing commodities, of which other means refers to the provision of domestic and foreign travel, study tours in various names and other means of giving benefits other than property. According to the Anti-Unfair Competition Law and the Provisions on Banning Commercial Bribery, the supervisory and inspection departments may impose fines according to the circumstances, and confiscate any illegal income. If a crime is constituted, it will be transferred to the judicial authorities for the investigation of criminal responsibility in accordance with the law.

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Laws and Regulations Relating to Intellectual Property

Patents

According to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and amended in 1992, 2000, 2008 and 2020, patents for inventions and utility models may be granted subject to three conditions: novelty, inventiveness and practicability. Patents are not granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, methods used to nuclear transformation and substances obtained utilizing nuclear transformation, and designs of the pattern and the colour of graphic printed matter or the combination of them that are primarily used to mark and identify. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design (the term of protection of a design patent right for which the application date is up to and including May 31, 2021 is ten years, commencing from the application date), commencing from the application date. Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper licence from the patent owners to use the patent, otherwise, the use of the patent will constitute an infringement of the rights of the patent holder.

Trademarks

Registered trademarks applied for in China are protected by the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), adopted by the SCNPC in 1982 and amended in 1993, 2001, 2013 and 2019, and the Implementation Rules of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》), adopted by the State Council in 2002 and amended in 2014. The Trademark Office under the State Intellectual Property Office handles the registration of trademarks, which are valid for ten years and may be renewed for another ten years upon expiry at the request of the trademark holder. Trademark licence agreements must be submitted to the Trademark Office for filing. A trademark licence cannot be used against a bona fide third party without being filed. The Trademark Law of the People’s Republic of China adopts the first-to-file principle for trademark registration. For the same or similar goods or services, if the application for registration of a trademark is identical or similar to a trademark registered or preliminarily examined by another person for the same or similar goods, the application for registration of such trademark will be rejected by the Trademark Office. Any person applying for registration of a trademark shall not prejudice the existing prior rights of another person or use improper means to pre-empt the registration of a trademark that has already been used by another person and has a certain degree of influence.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, which came into effect on November 1, 2017, the MIIT shall be responsible for the supervision and management of China’s internet domain name service. Domain name registrations shall be handled through the domain name service agencies established in accordance with the relevant provisions, and the applicants become domain name holders upon successful registration.

Software Copyright

According to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC in 1990 and amended in 2001, 2010 and 2020 respectively, Chinese citizens, legal persons or unincorporated organizations are entitled to copyright in their works (including computer software) in accordance with the law, regardless of whether or not they are published.

The Regulation on Protection of Computer Software (《計算機軟件保護條例》) were promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013, respectively, with the aim of protecting the rights and interests of computer software copyright holders, adjusting the interests and relations occurring in the development, dissemination and use of computer software, encouraging the development and application of computer software, and promoting the development of software industry and informatization of our national

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economy. According to the Regulation on Protection of Computer Software, the PRC citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in software developed by them in accordance with the law. A software copyright owner may register with a software registration institution recognized by the copyright administration department of the State Council. The certificate of registration issued by the software registration institution shall be the preliminary evidence of the registered matters. The software copyright of a legal person or other organizations shall be protected for a period of 50 years, ending on December 31 of the 50th year after the first publication of the software; however, if the software has not been published within 50 years from the date of completion of its development, it shall no longer be protected.

Law and Regulations Relating to Property

Pursuant to the Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee shall enter into a tenancy contract in accordance with the law. The parties concerned to a housing tenancy shall go through the housing tenancy registration formalities with the competent construction (real estate) departments of the people's government of the municipalities directly, cities and counties where the housing is located within 30 days after the housing tenancy contract is signed. If the tenancy registration and filing is not carried out in accordance with the regulations, the relevant competent authorities may order rectification within a specified time limit or impose a fine.

Laws and Regulations Relating to Labor Employment

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) approved by the SCNPC on July 5, 1994 and last amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") approved on June 29, 2007 and amended on December 28, 2012, an entity shall develop and improve rules and regulations in accordance with the law to ensure that workers enjoy their labor rights and fulfill their labor obligations. A labor contract is an agreement between a worker and an entity that establishes the labor relationship and specifies the rights and obligations of both parties. An entity and a worker should enter into a written labor contract that restricts the use of temporary workers and provides workers with long-term job security.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") promulgated by the SCNPC on October 28, 2010, which became effective on July 1, 2011 and was amended on December 29, 2018, and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated and effective by the State Council on January 22, 1999, which was amended on March 24, 2019, an entity are required to pay social insurance for their workers in the PRC, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance. According to the Social Insurance Law, if a company fails to fully pay its social insurance premiums within the prescribed time limit, the relevant PRC authorities may order it to make the payment within a stipulated deadline. The company may be liable for a late payment fee calculated at 0.05% of the outstanding amount per day. If the company fails to repay the outstanding premiums within the stipulated period, it may be subject to a fine ranging from one to three times the amount in arrears.

According to the Administration Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and effective on the same date, and latest amended on March 24, 2019, entities are required to contribute to the housing provident fund for their workers. If an entity fails to undertake payment and deposit registration of housing provident fund or fails to open the housing provident fund accounts for its employees, the housing provident fund management centre may order the entity to rectify it within the prescribed time limit; where failing to do so at the expiration of the time limit, a fine between RMB10,000 and RMB50,000 may be imposed by competent authorities. An entity shall timely and fully deposit housing accumulation fund, and shall not deposit it exceeding the time limit, or deposit less than it should. The contribution rate of housing funds of workers and entities may not be less than 5% of the monthly average salary in the previous year. If an entity

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is overdue in the payment or underpays, the housing provident fund management centre shall order the entity to pay up within the prescribed time limit. If the entity still fails to pay up as scheduled, the competent administrative authority may apply to the people’s court for compulsory enforcement.

Laws and Regulations Relating to Environmental Protection

Environmental Protection

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014 and became effective on January 1, 2015, pollution control facilities must be designed, built, and operated simultaneously with main construction works.

Environmental Impact Assessment

According to the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017, the construction entity shall submit an environmental impact report, an environmental impact statement, or fill in an environmental impact registration form depending on the degree of impact the construction project has on environment. For a construction project for which an environmental impact report or environmental impact statement shall be prepared by law, the construction entity shall submit the environmental impact report and environmental impact statement to the competent administrative department of the environmental protection with approval authority for approval before starting construction. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity shall be prohibited from commencing construction works.

Pollutant Discharge

According to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge license management in accordance with the law shall apply for and obtain pollutant discharge license in accordance with the law and discharge pollutants in accordance with the provisions of the pollutant discharge license. Those without pollutant discharge license are not allowed to discharge pollutants. Enterprises, public institutions and other producers and business operators that are legally required to fill in pollutant discharge registration forms shall conduct pollutant discharge registration on the national pollutant discharge permit management information platform.

According to the Catalogue of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

Laws and Regulations Relating to Fire Control

Pursuant to the Fire Control Law of the PRC(《中華人民共和國消防法》), promulgated by the SCNPC on April 29, 1998 and most recently amended and implemented on April 29, 2021, fire control work is supervised and administered by the Ministry of Emergency Management of the State Council and the local people’s governments at or above the county level, while the implementation is the responsibility of the fire and rescue agencies of the local people’s governments at or above the county level. The fire control design of construction projects must comply with the national fire control technical standards. Construction projects whose fire control design has not undergone statutory review or has failed such review are prohibited from commencing construction. Completed construction projects that have not passed a statutory fire safety acceptance inspection or whose inspection results fail to meet fire safety requirements are prohibited from being put into use or operation.

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Laws and Regulations Relating to Cross-Border Trade

The Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Regulations**”) are the main administrative regulations on foreign exchange administration in the PRC, which were promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, and were amended on January 14, 1997 and August 5, 2008, respectively. Pursuant to the Regulations on Foreign Exchange Administration, the State shall not impose restrictions on current international payments and transfers, including international balance of payments transactions involving goods, services, income and current transfers, except for account items (including direct investment, loans, capital transfers, securities investment, etc.), which are subject to prior approval of the SAFE and prior registration with SAFE.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (issued by the SAFE and took effect on June 9, 2016) and the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (issued by the SAFE and took effect on December 4, 2023), foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including foreign exchange capital, foreign debt funds and funds repatriated by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions and the RMB funds derived from willingness exchange settlement should be included in the management of the settlement account to be disbursed. The tentative percentage of willingness exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

According to the Notice of the SAFE on Further Improving and Adjusting Foreign Administration Policies for Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》), which was issued by the SAFE on November 19, 2012, came into effect on December 17, 2012 and amended on May 4, 2015, the previous foreign exchange approving procedure was simplified by cancelling the requirement for the opening of a foreign exchange account or the entry of any amount in the foreign exchange accounts under direct investment, and instead, the bank can open the account for relevant client according to the information registered in the relevant system of the SAFE.

The Notice of SAFE on Further Simplifying and Improving Foreign Exchange Administration Policy for Overseas Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and latest amended on December 30, 2019 lifted the requirement of administrative approval in relation to foreign exchange registration and approval for overseas direct investment, which was changed to the mechanism that the banks directly review and complete the foreign exchange registration for overseas direct investment, and the SAFE and its branches will implement indirect regulation over the foreign exchange registration for overseas direct investment through the banks.

The People’s Bank of China and the State Administration of Foreign Exchange issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《中國人民銀行 國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was announced on 24 December 2025. This document constitutes a new regulation jointly issued by the two authorities, aiming to unify and optimize the supervision and administration of foreign exchange funds related to the overseas listings of domestic enterprises. Its key provisions include establishing a registration system for overseas listings, clarifying the principle of repatriating raised funds and the conditions for retaining funds overseas, standardizing the opening and use of dedicated accounts, detailing the foreign exchange procedures for shareholding increases and decreases by shareholders, and making specific arrangements for businesses such as “H-share Full Circulation”. The new regulation will take effect on 1 April 2026.

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Laws and Regulations Related to Overseas Securities Offering and Listing

On February 17, 2023, the CSRC issued the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic enterprises (《境內企業境外發行證券和上市管理試行辦法》) and its supporting guidelines (collectively, the “**New Rules for Filing**”), which came into effect on March 31, 2023. According to the New Rules for Filing, PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall complete the filing procedures and report relevant information to the CSRC within three working days after submitting the application documents for offering and listing securities in overseas markets.

On February 24, 2023, the CSRC, in conjunction with the MOF, the National Administration of State Secrets Protection and the National Archives Administration, has jointly issued the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Administration Provisions**”), which came into effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require that PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations.

Laws and Regulations Relating to H Share “Full Circulation”

According to the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請“全流通”業務指引(2023修訂)》), which was issued and implemented by the CSRC on August 10, 2023, Shareholders may determine the volume and proportion of shares for circulation, authorizing the domestic enterprise to file the application, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. The shareholders of domestic unlisted shares shall authorise the domestic enterprises to file the “Full Circulation” application with CSRC by filing materials on key compliance issues, including whether the “Full Circulation” has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the “Full circulation” involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed. Domestic enterprises that are not yet listed may file the “Full Circulation” application when applying for listing in an overseas IPO. After an application for “Full Circulation” has been approved by the CSRC, the domestic enterprise shall submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC. The domestic unlisted shares may not be transferred back to China after they have been listed and circulated in Hong Kong.

According to the Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) promulgated by the China Securities Depository and Clearing Corporation Limited (the “**CSDC**”) and Shenzhen Stock Exchange (the “**SZSE**”) on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the “Full Circulation” business, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited and the SZSE.

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The Shenzhen Branch of CSDC promulgated the Guide to the Program for H-share “Full Circulation” Business of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) on September 20, 2024. These guidelines aim at standardizing the business operations of H-share “Full Circulation” and have made provisions for relevant businesses related to H-share “Full Circulation”, including business preparation, cross-border transfer registration, overseas share custody, initial maintenance of detailed domestic holdings, change and maintenance of detailed domestic holdings, handling of corporate actions, settlement and delivery, and risk management.

Outbound Investment

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, to make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project approved or filed on the record, report relevant information, and cooperate with supervision and inspection. Overseas investment projects that involve any sensitive country or region or any sensitive industry need to be approved by the NDRC. Overseas investment projects other than those specified above are subject to filing administration. The NDRC promulgated the List of Sensitive Sectors for Outbound Investment (2018) (《境外投資敏感行業目錄(2018年版)》) on January 31, 2018 and effective as from March 1, 2018 to list the current sensitive industries in detail.

According to the Administrative Measures for Outbound Investment (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, became effective on May 1, 2009 and amended on September 6, 2014, outbound investment refers to the activities of possessing non-financial enterprises or acquiring the ownership of, the control over, the operation and management right of, and other rights of and interests in, the existing non-financial enterprises outbound through consolidation, merger and acquisition, or otherwise conducted by enterprises that are established in the PRC in accordance with the law. The MOFCOM and the provincial departments in charge of commerce shall conduct archive filing and verification management according to different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of outbound investment of an enterprise.

For other types of overseas investments by enterprises, a record-filing management system shall be implemented.

Pursuant to the Provisions on the Foreign Exchange Administration of Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the State Administration of Foreign Exchange (國家外匯管理局, the “SAFE”) on July 13, 2009, which became effective on August 1, 2009 and the Notice of the SAFE 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》) promulgated by the SAFE on February 13, 2015, upon obtaining approval for overseas investment, a PRC enterprise shall apply for foreign exchange registration for its overseas direct investments with the banks in the place where it’s registered.

RELEVANT LAWS AND REGULATIONS IN JAPAN

Laws Governing the Sale of Robots in Japan

The sale of products in Japan is generally governed by the Civil Code and the Commercial Code, with product safety and warranty obligations being key aspects of robot sales. Japan’s **Product Liability Act (PL Act)** imposes strict liability on any person who manufactures, processes, or imports a product in the course of business, as well as on any person who uses a name, trade name, trademark, or other indication on the product as the manufacturer, and any person who can be recognized by others as the actual manufacturer (“manufacturers, etc.”). The manufacturers, etc. are liable to compensate for any personal injury (including death or bodily injury) or property infringement caused by a defect in the delivered product, which was manufactured, processed, imported, or on which indications including a name referred. However,

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this does not apply if the damage occurs to the product alone. This means if a service robot has a design or manufacturing defect that leads to an accident, the manufacturer, etc. can be held liable for damages regardless of negligence.

Customs Requirements for Importing Robots into Japan

Under Japan’s **Customs Act**, importers receiving goods from overseas are generally required to submit an import declaration to Japan Customs and pay any applicable duties. Once the declaration is filed, Japan Customs may inspect the goods as needed and, after confirming that the duties have been paid, will authorize the importation.

Safety and Technical Standards Compliance

Japan has a robust framework of technical regulations to ensure that electrical and robotic equipment is safe for users, workers, and the public. Mobile and collaborative robots must meet these safety and technical standards before they can be marketed domestically. A central law is **the Electrical Appliances and Materials Safety Act, often called the PSE Act**, which applies to many electronic products. Importers of electrical devices are required to register (“notify commencement of business”) with METI, and to ensure their products conform to designated technical standards under this Act.

Mobile and collaborative robots are not listed as electrical appliances under the PSE Act and are therefore not directly subject to regulation under the PSE Act. However, many robotics products include multiple regulated parts – for instance, an autonomous cleaning robot will typically come with an AC/DC power supply (which is a Specified Appliance requiring PSE certification) and may use a lithium-ion battery pack (which, if it has high energy density or is sold separately as a replacement, also falls under the PSE Act). Accessories such as power adapters and battery chargers supplied with these robots fall within the scope of “DC power supply units” and are subject to the Act.

Once compliance is achieved (and for high-risk items, certified by a METI-registered Conformity Assessment Body), the products must be affixed with the PSE mark before sale. The PSE mark – in the form of a diamond or round symbol on the product or nameplate – signifies that the equipment meets Japan’s electrical safety requirements. It is illegal to sell or display regulated electrical products in Japan without the PSE mark. Persons engaging in the manufacture or importation of electrical appliances shall be limited to individuals residing within Japan or to corporations duly registered under the Companies Act of Japan. Business operators domiciled outside Japan, and without a place of business therein, may submit a notification of import business only where they have appointed a representative in Japan pursuant to the Companies Act and effected the required registration.

Laws and Regulations in Relation to Labor and Employment

Employment relationships in Japan are major governed primarily by **the Labor Standards Act, the Industrial Safety and Health Act**, and the **Labor Contract Act**.

The Labor Standards Act prescribes minimum working conditions applicable to most employers and employees, and any contractual terms that fall below these statutory standards are deemed invalid. The Industrial Safety and Health Act requires employers to implement workplace safety and health measures and to establish appropriate safety management systems.

Under the Labor Contract Act, when an employer dismisses or takes disciplinary action against an employee, such dismissal or disciplinary action is required to be based on objectively reasonable grounds and to be socially appropriate. Changes to employment terms that disadvantage employees must also be reasonable in order to be valid.

Laws and Regulations in Relation to Taxation

Japanese companies are subject to corporate taxation, which generally consists of an income-based component and a per-capita component. Effective corporate tax rates vary depending on factors such as taxable income and company size, and generally range from approximately 15% to 23.2%.

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Laws and Regulations in Relation to Personal Data Protection

The Act on the Protection of Personal Information imposes various obligations on business operators that handle personal information, including requirements regarding lawful use, purpose limitation and restrictions on third-party transfers. This Act also applies to foreign business operators that obtain personal information in connection with the provision of goods or services to individuals located in Japan.

Business Permits and Licenses for Robotics Operations

Operating a robotics business in Japan generally does not require a special permit. However, certain permits, such as the PSE mark, as well as required notifications or reports, must be obtained as part of regulatory compliance:

Filings and Reports under **the Foreign Exchange and Foreign Trade Act (FEFTA)** in Relation to Establishment of Companies: The establishment of a company in Japan by a foreign corporation is subject to the FEFTA. The establishment of a company by a foreign investor may trigger filing or reporting obligations under the FEFTA. Under the FEFTA, prior notification is required when a foreign investor intends to establish a company in Japan engaging in certain designated business sectors that may affect national security, public order, or public safety (including defense, energy, telecommunications, transportation, and finance). Such notification must generally be submitted at least 30 days prior to the intended establishment. For sectors other than the designated businesses, the foreign investor is required instead to submit an ex post facto report following the establishment. Such post-establishment report must typically be filed within a prescribed period (in principle, within 45 days from the date of establishment) in the prescribed form.

RELEVANT LAWS AND REGULATIONS IN OTHER JURISDICTIONS

Sanctions Laws And Regulations

United States

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

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

OFAC’s comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People’s Republic (“**LPR**”) and Donetsk People’s Republic (“**DPR**”) regions (the comprehensive OFAC sanctions program against Sudan was terminated on October 12, 2017). 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. Additionally, U.S. persons, wherever located, are prohibited from approving, financing,

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facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the “UNSC”) can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees. United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an EU member state. EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime-by-regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

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 Export Administration Regulations (the “EAR”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the “BIS”), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the “Entity List”). 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 generally is prohibited unless the specified license requirements are met.

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In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the “**Commerce Control List**”). The Commerce Control List is primarily based on multilateral export control lists, such as the Wassenaar Arrangement’s List of Dual-Use Goods and Technologies and Munitions List, 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. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number (“**ECCN**”). Each ECCN is subject to the respective control(s) and licensing requirement applicable for sales to controlled countries and/or entities.

U.S. Tariffs

The U.S. imposes a variety of tariffs on imported goods. While the U.S. Constitution grants Congress the authority to impose tariffs, several statutes have shifted that authority to the President under certain circumstances. Within the U.S., agencies involved in international trade regulation include the CBP, the U.S. International Trade Commission (“**ITC**”), and the Office of the U.S. Trade Representative (“**USTR**”). CBP is responsible for collecting tariffs on goods imported to the U.S. during the customs clearance process. The ITC is a quasi-judicial agency that administers U.S. laws governing trade remedies and provides analysis, information, and other support concerning tariffs and other international trade matters for the President, U.S. Congress, and the USTR. The ITC also investigates alleged violations of U.S. trade law, including unfair trade practices under Section 337 of the Tariff Act of 1930, illegal foreign financial subsidies, and violations, and Section 201 of the Trade Act of 1974 (imports of goods into the U.S. at an increased quantity that is a substantial cause of serious injury to a U.S. domestic industry). The USTR is a cabinet-level position within the office of the President of the U.S., and serves as the President’s principal advisor, negotiator, and spokesperson regarding matters of international trade.

The USTR is authorized to take certain action under Section 301 of the Trade Act of 1974 (“**Section 301**”), including without limitation the imposition of tariffs or other restrictions on imports, if it determines after investigation that a foreign government has engaged in unfair trade practices. In 2018, following a USTR investigation and report, the U.S. imposed tariffs on certain imported goods of Chinese Mainland-origin. Section 301 tariffs are assessed and collected in addition to any other duties that may apply (including, without limitation, anti-dumping duties).

In early 2025, President Trump separately invoked the IEEPA to impose additional tariff measures, including tariffs on imports from a wide range of products imported from most countries or regions, such as Chinese Mainland. On February 20, 2026, the U.S. Supreme Court issued its decision in *Learning Resources, Inc. v. Trump*, holding that IEEPA does not authorize the President to impose tariffs. Following the Supreme Court’s ruling, President Trump imposed a 10% global tariff under Section 122 of the Trade Act of 1974 (“**Section 122**”), effective February 24, 2026. Section 122 permits the imposition of tariffs for up to 150 days absent further congressional authorization. The Section 122 tariffs expired on July 24, 2026 at the end of the 150-day statutory period, as Congress did not extend them. As of July 24, 2026, CBP ceased to collect the Section 122 Tariffs. Furthermore, in accordance with CBP’s non-stacking instructions, Section 122 Tariffs may not be levied cumulatively on any imported articles that are concurrently subject to additional duties under Section 232 of the Trade Expansion Act of 1962.

On July 24, 2026, following the expiration of Section 122 tariffs, the administration imposed new tariffs of 10% to 12.5% under Section 301 of the Trade Act of 1974 targeting 60 economies, based on findings that each economy failed to impose or effectively enforce prohibitions on the importation of goods produced with forced labor. Given the attitude of the current administration and ongoing discussions between the United States and its trade partners, including Chinese Mainland, there remains uncertainty about future changes to the scope, levels, and administration of U.S. tariffs.