This section sets out a summary of certain aspects of the laws and regulations of the jurisdictions which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential [**REDACTED**] *with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential* [**REDACTED**]. [**REDACTED**] *should note that the following summary is based on laws and regulations in force as at the date of this Document, which may be subject to change.*

LAWS AND REGULATIONS IN THE PRC

We are subject to various PRC laws and regulations that may impact both our business operations and the [**REDACTED**].

Principal Regulatory Authorities

In addition to the supervision and management by authorities that perform general regulation on companies in the PRC, the Company's operations in the PRC are mainly subject to supervision and management under the following authorities:

MIIT

The main responsibilities of the MIIT include, among others: proposing strategies and policies in relation to industrial development, drafting and organizing the implementation of industrial plans and industrial policies, drafting and promulgating industrial regulations and technical specifications, formulating and implementing standards and policies for high-tech industries, promoting the development of emerging industries, and guiding relevant industries in strengthening safety production management.

NDRC

The main responsibilities of the NDRC include, among others: organizing the formulation of a comprehensive industrial policy, regulating and managing fixed-asset investment projects, proposing strategies and policies for the utilization of inbound and outbound investment, and proposing a negative list for foreign investment access.

MOFCOM

The main responsibilities of the MOFCOM include, among others: supervising and regulating the foreign investment activities nationwide, formulating foreign investment policies and organizing their implementation, approving the establishment of and changes in foreign-invested enterprises in accordance with applicable laws, formulating administrative measures and specific policies for outbound investment, and authorising, in accordance with the applicable laws, outbound investment by domestic enterprises.

Company Law

According to the PRC Company Law (《中華人民共和國公司法》) implemented by SCNPC on December 29, 1993 and most recently amended on December 29, 2023 and implemented on July 1, 2024, both limited liability companies and joint stock limited companies established in the PRC have the status of legal persons. The liability of shareholders of a limited liability company and a joint stock limited company is limited to the amount of capital they have contributed or shares they have subscribed for. The PRC Company Law shall also apply to foreign-invested companies unless laws on foreign investment have stipulated otherwise.

Regulations Relating to Weighted Voting Rights

We first adopted the WVR structure in our articles of association as a limited liability company in 2020 pursuant to the PRC Company Law as revised and became effective on October 26, 2018 (the "**PRC Company Law (2018)**"), which was in effect at the time provides that the shareholders shall exercise their voting rights at a shareholders' meeting in proportion to their capital contributions, except as otherwise prescribed in the articles of association of the relevant company.

We were converted into a joint stock company with limited liability in 2021. Pursuant to the PRC Company Law (2018), shareholders of a joint stock company shall have one vote for each share held at shareholders' general meetings, and the State Council may promulgate further provisions on the issuance of shares by a company of classes other than those provided under the PRC Company Law (2018). The State Council issued the Opinions of the State Council on Promoting the High-Quality Development of Innovation and Entrepreneurship and Creating an Upgraded Version of Innovation and Entrepreneurship (《國務院關於推動創新創業高質量發展打造"雙創"升級版的意見》) on September 18, 2018, which stipulates that relevant laws and regulations, such as the PRC Company Law and relevant rules of the capital markets shall be improved to allow technology enterprises to implement weight voting rights in their corporate governance structure.

The PRC Company Law as amended on December 29, 2023 and became effective on July 1, 2024 provides that, a company may, prior to its [**REDACTED**], issue a class of shares with rights different from those of its common shares in accordance with the company's articles of association, including but not limited to shares carrying more or less voting rights per share than those of its ordinary shares. At shareholders' meetings, shareholders shall have one vote for each share held, except for shareholders holding a class of shares with different rights.

Pursuant to the Guidelines for the Application of Regulatory Rules — Overseas Offering and Listing No. 1 (《監管規則適用指引—境外發行上市類第1號》) promulgated by the CSRC on February 17, 2023, which became effective on the same day, any PRC domestic enterprise intending to [**REDACTED**] its shares overseas shall amend its articles of association by reference to the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant rules and regulations promulgated by the CSRC in relation to

corporate governance. The CSRC promulgated the Guidelines on the Articles of Association of Listed Companies (2025 Revision) (上市公司章程指引(2025修訂)) on March 28, 2025, which became effective on the same day (the "**AoA Guidelines (2025)**"). According to the AoA Guidelines (2025), a company with shares carrying special voting rights shall stipulate expressly in its articles of association certain matters in relation to the special voting rights. As advised by our PRC Legal Adviser and the Joint Sponsors' legal advisers as to PRC laws, the Articles has already expressly stipulated such matters required by the AoA Guidelines (2025), namely: the qualifications of holders of shares carrying special voting rights, the ratio between the number of voting rights carried by the shares carrying special voting rights and that carried by ordinary shares, the scope of matters to be tabled at the shareholders' meeting which the shares carrying special voting rights held by the shareholders may vote on, the lock-up arrangement and restrictions on the transfer of shares carrying special voting rights, the circumstances under which the shares carrying special voting rights may be converted into ordinary share, and that any matter which may affect the rights of a particular class of shareholders shall, in addition to being resolved by the shareholders' meeting, be resolved by two-thirds or more of the voting rights of the shareholders present at the particular class meeting. As advised by our PRC Legal Adviser and the Joint Sponsors' legal advisers as to PRC laws, according to Overseas Listing Trial Measures, being a joint stock company incorporated in the PRC and seeking for the [**REDACTED**], the Company is required to prepare its articles of association in full compliance with the PRC Company Law and by reference to (instead of in accordance with) the AoA Guidelines applicable at the time, and the Articles is generally in compliance with the requirements under the AoA Guidelines (2025) in respect of the provisions regarding the WVR. The Articles, however, has not reflected certain latest revisions under the AoA Guidelines (2025) in respect of other corporate governance matters, such as the provisions on legal representative, the responsibilities and obligations of the controlling shareholder and the de facto controlling person, and the shareholders' meetings. In particular, the Articles has not yet reflected the requirement under the AoA Guidelines (2025) of replacing the supervisory committee with the audit committee and having the audit committee to perform the statutory duties of the supervisory committee. As advised by our PRC Legal Adviser and the Joint Sponsors' legal advisers as to PRC laws, the deadline to complete the amendment to the Articles by reference to the AoA Guidelines (2025) is January 1, 2026, according to a notice published by the CSRC together with the promulgation notice of the AoA Guidelines (2025) on March 28, 2025. As such, the Articles, despite not having reflected all the latest revisions of the AoA Guidelines (2025), is in compliance with the relevant applicable PRC laws. The Company will complete the necessary amendment to the Articles by reference to the other corporate governance provisions under the AoA Guidelines (2025) before the above deadline. In particular, upon such amendment, the Company will no longer have a Supervisory Comittee, the statutory duties of which will be performed by the Audit Committee.

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, and the Guidelines for the Application of Regulatory Rules — Overseas Offering and Listing No. 2: Guidelines on the Content and Format of Filing Materials (《監管規則適用指引—境外發行上市類第2號:備案材料內容和格式指引》) promulgated by the CSRC on February 17, 2023, which became effective on the same day, we are required to include in the report filed to the CSRC information relating to our shares carrying special

voting rights, including (1) basic information including the classes of shares, the term in which the special voting rights arrangement operates, the qualification of holders, the ratio between the number of voting rights carried by the shares carrying special voting rights and that carried by ordinary shares, and the lock-up arrangement and restrictions on the transfer of shares carrying special voting rights; (2) the scope of matters to be tabled at the general meeting which the shares carrying special voting rights held by the shareholders may vote on, and special matters on which the special voting rights do not apply; and (3) any risks such as change of control, or any influence on corporate governance, that may result from the special voting rights arrangement. We have filed the required documents with the CSRC, and on June 13, 2025, we have received a notice from the CSRC confirming the completion of the filing procedures.

Regulations Relating to Foreign Investment

The NPC promulgated the PRC Foreign Investment Law (《中華人民共和國外商投資法》) on March 15, 2019, which became effective on January 1, 2020, and sets out the definition of foreign investment and the framework for the promotion, protection and administration of foreign investment activities.

On December 30, 2019, the Ministry of Commerce and the State Administration for Market Regulation jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. According to those measures, the relevant participants in the establishment of foreign invested enterprises, in the process of purchasing of the equities of a domestic enterprise by a foreign investor and in the process of the subscription of the increased registered capital of a domestic enterprise by a foreign investor are required to submit an initial report in a dedicated registration system. In addition, the relevant participant in the subsequent changes to important matters of the aforementioned enterprises, such as their shareholding structures, are required to submit a change report through the same registration system.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the Negative List. The Negative List, which became effective on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment. The Company confirms that none of the Company's business falls within the categories of the Negative List where foreign investment is restricted or prohibited.

Regulations Relating to Overseas Investment

The Administrative Measures on Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014. According to these measures, overseas investment shall refer to the obtaining of ownership of an overseas non-financial enterprise by means of incorporation, merger, acquisition or any other method by an enterprise incorporated in the PRC. Any overseas investments involving sensitive countries and regions or sensitive industries shall be subject to the approval of the MOFCOM or its provincial counterpart; overseas investments that do not fall into the aforementioned category shall be subject to a filing to the relevant provincial counterpart of the MOFCOM. Enterprises that obtained approval or completed the filing process will receive an Overseas Investment Certificate for Enterprise (《企業境外投資證書》) issued by MOFCOM or its provincial counterpart.

The Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. As defined therein, overseas investment refers to investment activities to obtain proprietary right, right of control, right of business management, and other related rights and interests outside of the PRC, by an enterprise incorporated in the PRC, either directly or via an overseas enterprise under its control, by way of contributing asset and/or interest or providing financing and/or guarantee. Prior to investing overseas, the investment project shall be approved by the NDRC, if it involves sensitive countries and regions or sensitive industries; if the investment project is considered not sensitive as it does not involve sensitive countries and regions or sensitive industries, the entity intending to complement the project shall file relevant information with the NDRC or its provincial counterparts. The Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018版)》), which was promulgated by the NDRC on January 31, 2018 and came into effect on March 1, 2018, sets out a detailed list for the aforementioned sensitive industries.

Regulations Relating to Product Quality

The PRC Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the PRC Product Quality Law, manufacturers 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. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear

liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and becoming 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 manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

Regulations Relating to Importation and Exportation of Goods

The PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and most recently amended on December 30, 2022 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

Regulations Relating to Work Safety

The PRC Work Safety Law (《中華人民共和國安全生產法》) was promulgated by the SCNPC on June 29, 2002, most recently amended on June 10, 2021 and became effective on September 1, 2021. The Work Safety Law applies to all entities engaging in production and business activities in the PRC. Such entities shall, according to the PRC Work Safety Law, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control

of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety. Violations of the PRC Work Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

Regulations Relating to Cybersecurity, Privacy and Data Security

The Provisions on Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), as promulgated on December 13, 2005 by the Ministry of Public Security of the PRC ("**MPS**") require internet service providers and entity users of the internet to implement technical measures for internet security, for example, measures against computer viruses, invasion, attack, or destruction of the cyberspace, and require all internet access service providers to take measures to keep a record of and preserve user registration information.

The Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》) promulgated by the MPS, the National Administration of State Secrets Protection, the State Cipher Code Administration and the Information Office of the State Council (now abolished) on June 22, 2007, divide the security protection of information systems into five grades based on the degree of harm caused by the destruction of such information system to the legitimate rights and interests of citizens, legal entities and other organizations, public order of the society, other public interests and national security. It further requires the operators of information systems ranking Grade II or above to file an application with the local competent public security authorities within 30 days from the date when its security protection grade is determined or its information system starts operation.

On July 1, 2015, the SCNPC promulgated the PRC National Security Law (《中華人民共和國國家安全法》), which became effective on the same day. It provides that the state shall build an internet and information security protection system and improve internet and information security protection capability to realize the controllable security of internet information key technologies, critical online infrastructure and the information systems and data in important fields. In addition, a national security review and supervision system is required to be established to review, among other things, foreign investment, key technologies and services and product in relation to internet information technologies that affect or are likely to affect the national security of the PRC.

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which became effective on June 1, 2017. It defines "networks" as systems that are composed of computers or other information terminals and relevant facilities used for the purpose of information collecting, storing, transmitting, exchanging and processing in accordance with certain rules and procedures, and "network operators" as owners or administrators of networks or the providers of network services. Network operators are subject to various security protection-related obligations, including: (i) complying with security protection obligations in accordance with tiered cybersecurity system's protection requirements, which include formulating internal security management systems and operation

instructions, appointing responsible personnel for cybersecurity, adopting technical measures to prevent computer viruses and cybersecurity endangering activities, adopting technical measures to monitor and record network operation status and events relating to cybersecurity, taking data security measures such as data classification, backups and encryption; (ii) formulating cybersecurity emergency response plans, timely handling of security risks, initiating emergency response plans, taking appropriate remedial measures and reporting to regulatory authorities in case of any incident endangering cybersecurity; and (iii) providing technical assistance and support for public security authorities and national security authorities for protection of national security and criminal investigations in accordance with applicable laws. Network operators who do not comply with the PRC Cybersecurity Law may be subject to corrective orders, warnings, fines, suspension of their businesses, shutdown of their websites, and/or revocation of their business licenses.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The PRC Data Security Law stipulates the obligations in relation to data security and privacy for entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification system and a layered protection system based on the importance of data in the socio-economic development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken respectively for each category of data. Violation of the PRC Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business, and revocation of business licenses and/or operating permits, and the persons in charge or other directly responsible persons may be imposed with fines.

The Administrative Provisions on Security Vulnerabilities of Network Products (《網絡產品安全漏洞管理規定》) were jointly promulgated by the MIIT, the Cyberspace Administration of China (the "**CAC**") and the MPS on July 12, 2021 and took effect on September 1, 2021, which stipulate that, providers of cyber products (including hardware and software), network operators, organizations or individuals engaged in activities relating to the discovering, collecting and releasing security vulnerabilities of cyber products are subject to these provisions, and shall establish channels to receive information of security vulnerabilities of their respective cyber products and keep logs for receiving such information for no less than six months. Network product providers are required to report relevant information of security vulnerabilities of network products with the Cyber Security Threat and Vulnerability Information Sharing Platform of MIIT within two days and to provide technical support for network product users. Network operators also shall make measures to examine and fix security vulnerabilities after discovering or knowing that their networks, information systems or equipment have security vulnerabilities. According to these provisions, violations thereunder may result in administrative penalties as stipulated in the PRC Cybersecurity Law.

On July 30, 2021, the State Council promulgated the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. According to these regulations, a "critical information

infrastructure" refers to an important network facility and information system in important industries and fields such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people's livelihood, or the public interests in the event of damage, loss of function, or data leakage. The regulations supplement and specify the provisions on the security of critical information infrastructure as stated in the PRC Cybersecurity Law, and provide, among others, that the competent regulatory, supervision and administration authorities of the aforementioned important industries will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (ii) promptly notifying the operators of the identified information infrastructures and the public security department of the State Council of the identification results.

On December 28, 2021, the Cybersecurity Review Measures (《網絡安全審查辦法》) were promulgated by the CAC together with other 12 PRC governmental authorities, which took effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, network platform operators holding personal information of over one million users shall also apply for a cybersecurity review before listing abroad. The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

The PRC Civil Code also stipulates that the personal information of a natural person shall be protected and provides main legal basis for privacy and personal information infringement claims. On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) which became effective on November 1, 2021. The PRC Personal Information Protection Law stipulates the scope of personal information, sets out the rules for processing personal information and the rules for cross-border transfer of personal information, as well as clarifies the individual's rights and the personal information processor's obligations in the process of personal information processing. The Personal Information Protection Law requires, among others, that (i) informing the individuals of the rules and purposes of personal information processing, impacts of personal information processing and how the individual can exercise their rights, (ii) obtaining consents from individuals for personal information processing or having other applicable legal basis to process personal information, (iii) establishing internal policies and procedures in terms of personal information processing and taking appropriate technical measures, (iv) providing channels for individuals to exercise their personal information rights under the PIPL and respond to their requests; and (v) conduct personal information protection assessment under certain personal information processing activities.

On March 22, 2024, the CAC issued the Provisions on the Promotion and Regulation of Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international

trade, cross-border transport, transnational manufacturing, and marketing, which do not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification.

On September 24, 2024, the State Council promulgated the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》), or the Network Data Regulations, which came into effect on January 1, 2025. The Network Data Regulations provide detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the PRC Cybersecurity Law, the PRC Data Security Law and the PRC Personal Information Protection Law. The Network Data Regulations supplement the requirements on several aspects of the PRC Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

Furthermore, on December 8, 2022, the MIIT promulgated the Administrative Measures for Data Security in Industry and Information Technology Sectors (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), or the Data Security Measures, which became effective on January 1, 2023. The measures apply to data in the industry and information technology sectors, including industrial data, telecom data and radio data (the "**Industry and IT Data**"). The Data Security Measures divide the Industry and IT Data into three categories based on the potential harm to national security, public interests and legal interests of individuals in the event of unauthorized alteration, destruction, leakage or illegal acquisition or use of such data: ordinary data, important data and core data. The processing of important data and core data is subject to certain filing and reporting obligations. The Industry and IT Data processors are also required by the Data Security Measures to establish a full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plan and conduct emergency drills and relevant trainings.

Regulations Relating to Government Procurement and Bidding

Pursuant to the PRC Government Procurement Law (《中華人民共和國政府採購法》) promulgated by the SCNPC on June 29, 2002 and most recently amended on August 31, 2014, public invitation for bids shall be taken as the main method of government procurement. Government procurement refers to the procurement of goods, projects and services by state authorities, public institutions and social organizations using public fiscal funds within the centralized procurement catalogue or exceeding the relevant procurement thresholds, which shall be both stipulated in separately promulgated documents. The principles of transparency,

fair competition, impartiality and good faith shall be abode in the process of government procurement. Furthermore, the parties concerned in government procurement shall not collude with each other to impair the rights and interests of the state, the public or any other parties concerned.

Pursuant to the PRC Bidding Law (《中華人民共和國招標投標法》) promulgated by the SCNPC on August 30, 1999 and most recently amended on December 27, 2017, bidding process shall be carried out when, among others, the following construction projects are involved: (i) large scale infrastructure or public utility projects and other projects relevant to public interest or public security; (ii) projects entirely or partially using state-owned funds or state-facilitated loans; and (iii) projects using loans, or financial aids from international organizations or foreign governments.

Regulations Relating to Labor Contract, Social Insurance and Housing Provident Fund

Labor Contract

According to (i) the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, and most recently amended on December 29, 2018, (ii) the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, most recently amended on December 28, 2012 and became effective on July 1, 2013, and (iii) the Implementation Regulations for the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008, the employment relationship between employers and employees must be executed in written form, and a minimum wage guarantee system shall be implemented. The wages paid by the employers to the employees shall not be less than the minimum wage as determined by the local governments at the provincial level. In addition, employers must establish a sound labor safety and hygiene system, and the labor safety and hygiene facilities must meet the standards stipulated by relevant authorities.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and most recently amended on December 29, 2018, the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1994 and most recently amended on March 24, 2019, and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and most recently amended on March 24, 2019, an enterprise established within the PRC shall pay premium for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance, basic medical insurance and contribute to the housing provident fund for its employees at a rate stipulated by the relevant authorities.

Employers that fail to promptly pay social insurance premiums in full amount will be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a penalty for late payment from the due date at the rate of 0.05% per day. If such payment is still not made within the stipulated period, a fine ranging from one to three times of the amount in arrears will be imposed. Employers that fail to contribute to the housing provident fund in due time or contribute under the minimum amount will be ordered by the relevant housing provident fund management center to make the contribution within a stipulated period. If such contribution is still not made within the stipulated period, the relevant housing provident fund management center can file application with a people's court for compulsory enforcement.

Regulations Relating to Intellectual Property

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and most recently amended on October 17, 2020 which became effective on June 1, 2021 as well as the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and became effective on January 20, 2024, invention creations that are eligible for the application of a patent shall include inventions, utility models and designs.

Inventions refer to new technical solutions for a product, method or the improvement thereof. Utility models refer to applicable and practical new technical solutions proposed for the shape or structure of a product or a combination thereof. Designs refer to new designs of the whole or partial shape or pattern of a product or a combination thereof, as well as a combination of color with shape or pattern, which has aesthetic value or is fit for industrial application. The validity period of patent for inventions is 20 years, the validity period of patent for utility models is ten years, and the validity period of patent for designs is 15 years, in each case starting from the date of application.

An invention creation that is accomplished by a person in the course of performing any task for an entity by which the inventor or designer is employed, or by using materials or technical means that are mainly from a certain entity shall be considered as a service-based invention creation. For a service-based invention creation, the right to apply for a patent belongs to the entity that employs the inventor or designer, or the entity that provided the majority of materials or technical means essential for the creation. Upon grant of the patent, such entity shall be the patentee. The patentee of a service patent shall reward the inventor or designer of the relevant service-based invention creation. After the implementation of the service patent, the inventor or designer shall be compensated reasonably according to the scope of market application of the patent as well as the economic benefits obtained from its implementation.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and most recently amended on April 23, 2019 which became effective on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and most recently amended on April 29, 2014 which became effective on May 1, 2014, prescribe the process of registration, de-registration, renewal, alteration, transfer and invalidation of a trademark. According to the aforesaid legislations, the registration of a trademark shall be valid for ten years from the date of approval. If there is a continuous need for the use of trademark, a renewal process shall be initiated within 12 months before the expiry of the registration. If the renewal process is not initiated within the stipulated period, a grace period of six months may be given for the filing of the renewal process. Each renewal of the trademark registration shall be valid for ten years from the date of the expiry of the previous registration. A trademark registrant may license the right to use its trademarks to other parties by entering into a trademark license agreement, but the licensing is not effective against a bona fide third party unless and until a relevant party has filed the record of such license to the relevant authority.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, and most recently amended on November 11, 2020 which became effective on June 1, 2021, the works protected by copyright refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including: (i) written works; (ii) oral works; (iii) musical, dramatic, opera, dance, acrobatic artistic works; (iv) fine arts, architectural works; (v) photographic works; (vi) audio-visual works; (vii) graphic works and model works, such as engineering design plans, product design plans, maps, and schematic diagrams; (viii) computer software; and (ix) any other intellectual achievements which share the same characteristics of the aforesaid works. Copyright is a collection of personal and property rights, which, among others, includes the right of publication, the right of authorship, the right of modification, the right of distribution, the right of reproduction, and the right of internet information transmission.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC on February 20, 2002 and became effective on the same date, and the Regulations on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, and most recently amended on January 30, 2013 which became effective on March 1, 2013, the National Copyright Administration of the PRC shall be the competent authority for the nationwide administration of software copyright registration, and the Copyright Protection Centre of China is designated as the authority responsible for the whole registration process of computer software. The Copyright Protection Centre of China issues registration certificates to applicants for computer software copyrights that comply with the aforesaid measures and regulations.

Domain Name

According to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017, prior to the establishment of domain name root servers, domain name root server operation institutions, domain name registration management institutions and domain name registration service institutions within the PRC, the corresponding permits shall be obtained from the MIIT or its local counterparts.

Regulations Relating to Tax

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the SCNPC on March 16, 2007 and most recently amended on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, most recently amended on December 6, 2024 and became effective on January 20, 2025, an enterprise that is established within the PRC, and an enterprise that is established under the law of a foreign country (region) but whose actual functions of management is within the PRC, shall both be considered as a PRC resident enterprise. A resident enterprise shall pay enterprise income tax on its income originating from both inside and outside the PRC at a rate of 25%. A preferential enterprise income tax rate is applicable to enterprises in certain industries supported or encouraged by the government, and high and new technology enterprises supported by the government may enjoy a reduced enterprise income tax rate of 15%. Further, qualified small low-profit enterprises are given certain preferential status in taxation. According to the Announcement of State Taxation Administration on Matters Relating to Implementation of Income Tax Incentives for Supporting Development of Small Low-profit Enterprises and Businesses Owned by Individuals (《國家税務總局關於落實支持小型微利企業和個體工商戶發展所得税優惠政策有關事項的公告》) published on April 7, 2021, from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 12.50%, with the applicable enterprise income tax rate of 20%; the arrangement in this announcement has superseded that in the previous announcement published on January 18, 2019. According to the Announcement on Preferential Income Tax Policies for Small Low-profit Enterprises and Businesses Owned by Individuals (《關於小微企業和個體工商戶所得税優惠政策的公告》) published on March 26, 2023 and the Announcement on Relevant Tax Policies for Further Supporting the Development of Small Low-profit Enterprises and Businesses Owned by Individuals (《關於進一步支援小微企業和個體工商戶發展有關税費政策的公告》) published on August 2, 2023, the policy that the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% will continue to apply from January 1, 2023 to December 31, 2027.

Value-added Tax

According to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) promulgated by the State Council on 13 December 1993 and most recently amended on November 19, 2017, and the Implementation Rules for the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) promulgated by the MOF on December 18, 2008, and most recently amended on October 28, 2011 which became effective on November 1, 2011, all entities selling goods, providing services or importing goods within the PRC shall pay value-added tax ("**VAT**"). For general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods other than those specifically listed in the aforesaid rules and regulations, the VAT rate is 17%, which was adjusted to 13% according to the Announcement on Policies for Deepening the Value-added Tax Reform (《關於深化增值税改革有關政策的公告》) promulgated jointly by the MOF, the STA and the General Administration of Customs on March 20, 2019. For general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights, the VAT rate is 11%. For general VAT taxpayers engaging in the sale of services and intangible assets, the VAT tax rate is 6%. Furthermore, the VAT rate shall be 3% for small-scale taxpayers, and the VAT rate for taxpayers engaging in the exportation of goods as well as the cross-border sale of services and intangible assets shall be zero, unless otherwise stipulated by the State Council.

The SCNPC promulgated PRC Value-added Tax Law (《中華人民共和國增值税法》) on December 25, 2024, which will came into effect on January 1, 2026. According to the PRC Value-added Tax Law, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From the effective date of the PRC Value-added Tax Law, which will be January 1, 2026, the Interim Regulations on Value-added Tax of the PRC will be repealed.

Regulations Relating to Environmental Protection

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, most recently amended on April 24, 2014 and came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC (the "**MEE**") is authorized to issue national standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards for discharge of pollutants which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998 and most recently amended on July 16, 2017, depending on the impact of the construction project on the environment, an construction proprietor shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction proprietor shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction proprietor shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002 and most recently amended on December 29, 2018, for any construction projects that have an impact on the environment, the construction proprietor is required to prepare an environmental impact report or an environmental impact statement, or file a registration form depending on the seriousness of effect that may be exerted on the environment.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Permit (《排污許可管理辦法》) promulgated on April 1, 2024 by the MEE and became effective on July 1, 2024, enterprises and public institutions as well as other entities engaging in production and business operations included in a certain designated catalogue for pollutant discharge management shall apply for and obtain a pollutant discharge permit or complete the registration as a stationary pollution source within a prescribed time limit.

According to the Catalogue for Categorized Administration of Pollutant Discharge Permit 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 MEE on December 20, 2019, key management, simplified management and registration management are applied to different kind of pollutant discharging entities 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 are under registration management do not need to apply for a pollutant discharge permit.

Regulations Relating to Fire Prevention

The PRC Fire Prevention Law (《中華人民共和國消防法》) was promulgated by the SCNPC on April 29, 1998, and was most recently amended and became effective on April 29, 2021. According to the PRC Fire Prevention Law, enterprises are required to perform the following duties in relation to fire prevention: (i) implement fire safety accountability system, prepare fire safety system and fire safety operational procedures for their organization, and

prepare fire extinguishment and emergency evacuation plans;(ii) prepare and install firefighting facilities and equipment pursuant to applicable laws and industry standards, install fire safety signs, and organize inspection and maintenance on a regular basis to ensure that the facilities and equipment are in good working conditions; (iii) conduct comprehensive inspection of firefighting facilities in the buildings they are in at least once a year to ensure that they are in good working conditions, the inspection records shall be complete and accurate and be well kept for reference and regulatory inspection; (iv) ensure that evacuation access, safety exits and fire engine access roads are unblocked, and ensure that the fire and smoke bay and firebreak distance comply with relevant technical standards; (v) organize fire prevention checks to promptly eliminate hidden fire hazards; (vi) organize and carry out targeted fire drills; and (vii) perform any other fire safety duties stipulated by applicable laws and regulations. Failure to perform those duties and other violations of the PRC Fire Prevention Law may result in a fine or an order of suspension of business.

Regulations Relating to Foreign Exchange

The principal regulation governing foreign currency exchange in the PRC is the Regulations on Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and most recently amended on August 5, 2008. According to these regulations, international payments in foreign currencies and transfers of foreign currencies under current account shall not be subject to any state control or restriction. Foreign currency transactions under capital account, such as transactions incurred under direct investment or capital contribution, will be subject to restrictions and require approvals from, or registration with, the foreign exchange administrative authorities, i.e. the SAFE or its local counterparts.

According to the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on February 1, 2005 and most recently amended on December 26, 2014, the SAFE and its local counterparts will oversee, regulate and inspect PRC domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. The said PRC domestic company shall, within fifteen working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》, the "**SAFE Circular 13**"), which took effect on June 1, 2015 and was most recently amended on December 30, 2019. In accordance with the SAFE Circular 13, commercial banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its local counterparts will indirectly supervise over foreign exchange registration of direct investment via commercial banks.

On March 30, 2015, SAFE issued the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》, the "**SAFE Circular 19**"), which took effect on June 1, 2015. SAFE further issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》, the "**SAFE Circular 16**") and the Notice on Annulling five Foreign Exchange Management Normative Documents and clauses of seven Foreign Exchange Management Normative Documents (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》), which, among other things, amend certain provisions of SAFE Circular 19. According to SAFE Circular 19, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The bank concerned shall conduct spot checking in accordance with the relevant requirements.

Regulations Relating to Overseas Securities Offering

Overseas Securities Offering

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies were promulgated by the CSRC on February 17, 2023, and implemented on March 31, 2023. According to these trial measures, issuers seeking an overseas initial public offering or listing must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad. Issuers are also prohibited from overseas offering and listing if they fall under one of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with applicable laws; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and

regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (v) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Where a domestic company seeks to directly offer and list securities in non-domestic markets, the issuer shall file with the CSRC, submit a filing report, legal opinion, and other relevant materials and undertake that the submitted materials are all truthful, accurate and complete.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of the PRC, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archive Management of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) which came into force on March 31, 2023. These provisions require that, in relation to the direct and indirect overseas securities offering and listing activities of domestic companies, such domestic company, as well as securities companies and securities service institutions providing securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to fulfill their confidentiality and archives management duties. According to these provisions, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and/or overseas regulators any materials that may contain state secrets or have an adverse impact on the national security or public interests of the PRC, the domestic company should complete the relevant approval/filing and other regulatory procedures as required.

H Share "Full Circulation"

The Company shall comply with regulations on the H share "full circulation" to converse its domestic shares into H shares and [**REDACTED**] the Hong Kong Stock Exchange. Pursuant to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H Share Companies (《H股公司境內未上市股份申請"全流通"業務指引》), promulgated and implemented by the CSRC on November 14, 2019 and revised on August 10, 2023, holders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements in all applicable laws and regulations are met. After domestic unlisted shares are listed and circulated at the stock exchange, they may not be transferred back to the PRC.

According to the Overseas Listing Trial Measures, "Full Circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in non-domestic markets, converting its domestic unlisted shares into foreign listed shares circulating in non-domestic markets. The shareholders of domestic unlisted shares shall authorize the domestic company 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.

According to the Implementation Rules of H Share "Full Circulation" Business (《H股"全流通"業務實施細則》), promulgated by the CSDC, and the Shenzhen Stock Exchange (the "**SZSE**") on December 31, 2019, the all businesses in relation to the H share "Full Circulation", such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc., are subject to the these implementation rules. Under the circumstances that no clear provision is given in the implementation rules, it shall be handled with reference to other operational rules of the CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited, and SZSE. In order to fully promote the reform of H shares "Full Circulation" and clarify the business arrangement and procedures for the relevant shares' registration, escrow, settlement and delivery, the CSDC has issued the Circular on Issuing the Guide for "Full Circulation" of H Shares (《關於發佈<H股"全流通"業務指南>的通知》) on February 7, 2020, the latest version of which was issued by Shenzhen Branch of the CSDC on 20 September 2024, which specifies the requirement and guidelines in relation to business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

HONG KONG LAWS AND REGULATIONS

We are subject to various Hong Kong laws and regulations that are relevant to our business operations in Hong Kong.

Regulations Relating to Business Registration

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every person carrying on any business to make application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid, and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be.

Regulations Relating to Taxes

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("**IRO**") is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

The Inland Revenue (Amendment) (No. 3) Ordinance 2018 was enacted on March 29, 2018 (the "**IRO Amendment Bill**"), which introduces the two-tiered profit tax rates regime, i.e., the first HK$2 million of profit of the qualifying group entity will be taxed at 8.25%, and profit above HK$2 million will be taxed at 16.5%. The profit of group entity not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, starting from the year of assessment 2018/19, the Hong Kong profit tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profit and at 16.5% on the estimated assessable profit above HK$2 million for the qualifying group entity.

The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

Laws and Regulations Relating to Sale of Goods

In Hong Kong, laws and regulations on the sale of goods are provided in legislation as well as common law. Civil liability in relation to product liability claims under the sale of goods arises under the law of contract and the law of negligence.

Contracts for the sale of goods in Hong Kong are mainly governed by the Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) which codified the law relating to the sale of goods. The Sale of Goods Ordinance provides that the seller of goods shall have an implied right to sell the goods and that the goods for sale shall be of merchantable quality, fit for their purposes, as described on the package or a display sign or by the seller and correspond with the sample.

The Sale of Goods (United Nations Convention) Ordinance (Chapter 641 of the Laws of Hong Kong) implement the United Nations Convention on Contracts for the International Sale of Goods done at Vienna on 11 April 1980 (the "**CISG**") such that the CISG has the force of law in Hong Kong. If there are differences between the CISG and relevant existing laws of Hong Kong, the relevant provisions of the CISG shall have overriding effect.

The CISG applies to contracts of sale of goods between parties whose places of business are in different states: (a) when the states are contracting states to the CISG; or (b) when the rules of private international law lead to the application of the law of a contracting state to the CISG.

Regulations Relating to Supply of Services

The supply of services in Hong Kong is regulated by the Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong), which consolidates and amends the law with respect to the terms to be implied in contracts for the supply of services. It provides that in a contract for the supply of service where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill, the supplier will carry out the service within a reasonable time and the party contracting with the supplier will pay a reasonable charge, but those may be negatived or varied by express agreement, or by the course of dealing between the parties, or by such usage as binds both parties to the contract.

Regulations Relating to Importation and Exportation of Goods

The Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the "**Import and Export Ordinance**") provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited unless with the relevant licences issued by the Director-General of Trade and Industry. If the goods to be imported or exported are "prohibited articles" or "reserved commodities" under the Import and Export Ordinance and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Chapter 296A of the Laws of Hong Kong), shipping companies, airlines and transportation companies are required to deliver within 14 days to the Director-General of Trade and Industry the import/export licences together with the relevant manifests of the vessel, aircraft or vehicle.

Pursuant to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports/exports any article other than an exempted article shall lodge with the Commissioner an accurate and complete import/export declaration relating to such article using services provided by a specified body, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation/exportation of the article to which it relates.

Hong Kong is a free port and does not levy any Customs tariff on imports and exports.

Regulations on Employer/Employee Rights and Obligations

Employment Ordinance

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the "**Employment Ordinance**") is the main piece of Hong Kong legislation governing conditions of employment in Hong Kong. It provides for the payment of wages, the restrictions on wages deductions, the granting of statutory holidays, and the termination of employment contract, among other things. In addition to these basic protections, employees who are employed under a continuous contract are further entitled to benefits such as rest days, paid annual leave, sickness allowance, severance and long service payment.

Employees' Compensation Ordinance

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the "**Employees' Compensation Ordinance**") establishes a no-fault, non-contributory employee compensation system for work injuries and lays down the respective rights and obligations of employer and employee in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Hong Kong companies are required to maintain employees' compensation insurance in compliance with the Employees' Compensation Ordinance to cover compensation and costs liable for personal injuries of employees in Hong Kong in the course of employment with them.

Mandatory Provident Fund Schemes Ordinance

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) provides for the establishment of non-governmental mandatory provident funds schemes (the "**MPF Schemes**") for members of the workforce for the purpose of accruing financial benefits on retirement, among other things.

Unless otherwise exempted, employers are required to enroll their employees who are at least 18 but under 65 years of age and employed for not less than 60 days in a MPF Scheme. Employers and employees are each required to make regular mandatory contributions of 5% of the employees' relevant income to the MPF Scheme, subject to the minimum and maximum relevant income levels, which are currently HK$7,100 per month and HK$30,000 per month respectively, provided, however, that employees with a monthly relevant income less than HK$7,100 are exempt and only the employers are required to make contributions to the MPF Scheme.

Minimum Wage Ordinance

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) provides for a minimum wage at an hourly rate for certain employees. Currently, the statutory minimum hourly wage rate is HK$40. Any employment contract that purports to extinguish or reduce any right, benefit, or protection conferred on the employee by the Minimum Wage Ordinance is void. Failure to comply with the statutory minimum wage rate requirement constitutes an offence under the Employment Ordinance.

LAWS AND REGULATIONS IN THE U.S.

The industry in which we operate is subject to trade, customs product classification and sourcing regulations as well as various federal, state and local laws and regulations governing the occupational health and safety of our employees and wage regulations. Specifically, it's subject the laws and regulations of the federal Occupational Safety and Health Act, as amended, and comparable state laws that protect and regulate employee health and safety. Moreover, it is subject to environmental regulations, including water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation and disposal of hazardous materials; and the remediation of environmental contamination. Compliance with these rules may include permits, licenses and inspections of company facilities and products.

Laws and Regulations Concerning International Trade

The summary below addresses key U.S. legal and regulatory issues associated with international trade. Our cross-border operations include the importation of goods into the United States and the exportation of goods from the United States. As a result, our business requires compliance with tariffs and other import controls and export controls laws and regulations.

Importation of Goods into the United States

Importation of goods into the customs territory of the United States is governed principally by the Tariff Act of 1930, as amended, the Customs Modernization Act of 1983, and the regulations of U.S. Customs and Border Protection ("**CBP**"). Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise "reasonable care" in entering merchandise into the United States. This includes when providing to CBP information and documentation necessary for it to assess duties on imported merchandise, collect accurate import statistics, and determine whether an import complies with applicable laws.

Civil penalties may be assessed against any person who uses false or misleading statements to enter goods into the United States. In determining the applicable penalty for such a wrongdoing, CBP first determines the applicable degree of culpability of the offending party. In general, higher penalties are assigned to more egregious offenses, which are classified according to degree of culpability as due to negligence, gross negligence, or fraud. CBP considers that a violation is a result of negligence "if it results from failure to exercise reasonable care and competence: (a) to ensure that statements made and information provided in connection with the importation of merchandise are complete and accurate; or (b) to perform any material act required by statute or regulation." Gross negligence and fraud are found in more egregious cases where circumstances indicate more than a failure to exercise reasonable care. Gross negligence is assigned where CBP finds a violation done "with actual knowledge of or wanton disregard for the relevant facts and with indifference to or disregard for the offender's obligations under the statute." Fraud is assigned where the act was "committed (or omitted) knowingly, i.e. was done voluntarily and intentionally, as established by clear and convincing evidence." Where false statements affect the assessment of duties on imports, the statutory maximum civil monetary penalties vary depending on whether the violation is due to fraud, negligence, or gross negligence. In addition to regulating the process of importation into the United States, CBP is charged with enforcing nearly 500 U.S. trade laws and regulations on behalf of 47 federal agencies, facilitating legitimate trade, collecting revenue, and protecting the U.S. economy Each such agency promulgates regulations governing importation of the products under their jurisdiction. CBP is charged with ensuring that imports (and exports) comply with those regulations and is authorized, in many cases, to effect seizures, forfeitures, and rejection of entry of non-conforming goods.

Tariffs

The United States 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 United States, 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 United States 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 United States, and serves as the President's principal adviser, 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 United States imposed tariffs on certain imported goods of Chinese origin. Section 301 tariffs are assessed and collected in addition to any other duties that may apply (including, without limitation, anti-dumping duties, countervailing duties and Section 232 tariffs for aluminum and steel from the Trade Expansion Act of 1962). Both the United States and China have brought claims against one another before the World Trade Organization in connection with this trade dispute.

Labor Laws and Employment Laws

Our U.S. operations are conducted through a Delaware corporation with its principal office in California, additional office in Georgia, employees across multiple states and business transactions nationwide. The employment of individuals in the United States is governed by federal, state and sometimes local laws. Federal laws set the minimum legal standard for employee rights; state and local laws may set different standards. Most employees in the United States are hired "at-will," meaning that their employment can be terminated at any time, with or without notice or cause. At-will employment can be modified by an employment agreement between an employee and employer, but in no event may an employee be terminated for an illegal reason (such as discrimination or harassment), nor may an employee be terminated or retaliated against for engaging in a legally protected activity. Individual verification of eligibility to work in the United States is required.

Intellectual Property Law

The United States has both federal and state laws that govern intellectual property rights. Some intellectual property rights are governed exclusively by federal law, while others are governed by both federal and state laws.

Intellectual Property Rights Governed by Federal Law

Copyrights and patents are exclusively governed by Federal Law.

- *Copyrights.* A copyright is a set of exclusive rights owned by the creator of an original work that is fixed in tangible form. A copyright (i) covers expressions, not ideas; (ii) cannot be purely functional; and (iii) must be an original work. U.S. copyright law is governed by the Copyright Act of 1976, codified at 17 U.S.C. 101 et seq.

- *Patents.* A patent is a government grant providing the patent owner with the right to exclude others from manufacturing, using, or selling a claimed invention within the United States or practicing a claimed method within the United States. A patent is obtained by filing an application with the U.S. Patent and Trademark Office ("**USPTO**") claiming a useful, novel invention. The application must comply with various requirements set forth in the Patent Act (codified at 35 U.S.C. § 1 et seq) and regulations established by the USPTO, which is an agency within the U.S. Department of Commerce. A patent owner can bring an infringement action in a U.S. federal court or, where the importation of infringing goods is involved, before the International Trade Commission. A patent owner may be entitled to remedies against an infringing party including preliminary and permanent injunctions, direct damages (including lost profits or royalties), and, in exceptional cases, treble damages and attorneys' fees.

Intellectual Property Rights Governed by both Federal and State Law

Trademarks and service marks

A "mark" is the use of one or more words, symbols, or logos to identify and distinguish the mark owner's goods and/or services. A trademark is a mark used for goods; a service mark is a mark used in connection with providing services. U.S. trademarks and service marks generally must (i) be different from prior marks, (ii) not be generic, and (iii) not be descriptive. U.S. federal trademark law is governed by the Lanham Act, codified at 15 U.S.C. § 1051 et seq. The USPTO is responsible for examining trademark and service mark applications and either granting or rejecting applications to register marks. Once granted, a trademark or service mark provides its owner with nationwide exclusivity within one or more particular fields of use.

State law is an alternative basis for trademark and service mark rights, either under specific state laws or under common law. States generally provide common law rights in trademarks and service marks upon their first use in commerce, without requiring registration. Some states have registries for trademarks and service marks. The rights inherent in such marks are limited to the state where they are used.

The owner of a trademark generally has a cause of action for infringement against a defendant who uses a mark that is likely to cause confusion in the relevant marketplace about the source of goods or services, or likely to cause consumers to falsely infer some association or affiliation between the trademark owner and the defendant. A plaintiff may be entitled to preliminary and permanent injunctions (including destruction of infringing articles), actual monetary damages, accounting of the defendant's profits, and in some cases, attorneys' fees.

Trade secrets

A trade secret is information that (i) has independent economic value from being generally unknown by the public and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. Trade secrets are governed by both federal and state law. The Defend Trade Secrets Act, codified at 18 U.S.C. § 1836, et seq. ("**DTSA**"), is the federal trade secret law. Enacted recently in 2016, the DTSA applies only to trade secrets used in interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure in specific and generally rare instances. The DTSA is similar to the Uniform Trade Secret Act ("UTSA"), a model set of laws enacted by almost all fifty states within the U.S. A trade secret owner may often have a choice in enforcing its trade secret rights under the DTSA or a relevant state's version of the UTSA.

U.S.-Based Data Privacy Regulations

The U.S. federal government and various states and governmental agencies also have adopted or are considering adopting various laws, regulations, and standards regarding the collection, use, retention, security, disclosure, transfer, and other processing of sensitive and personal information, including, without limitation and in each case as amended from time to time, the Fair Credit Reporting Act, 15 U.S.C. 1681; the Federal Trade Commission Act, 15 U.S.C. § 45; the CAN-SPAM Act, 15 U.S.C. § 7701 et seq.; the Telephone Consumer Protection Act, 47 U.S.C. § 227; the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 et seq.; the Health Insurance Portability and Accountability Act of 1996; the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-22; and the Stored Communications Act, 18 U.S.C. § 2701-12. In addition, many states have laws that protect the privacy and security of sensitive and personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, in 2018, California enacted the California Consumer Privacy Act, which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the "**CCPA**"). The CCPA creates individual privacy rights for

California residents, including rights to opt out of certain processing such as the transfer of personal information for the purpose of cross contextual behavioral advertising, the processing of sensitive personal information for certain purposes, as well as "sales" of personal information, and increases the privacy and security obligations of entities handling personal information of California consumers and meeting certain thresholds. The CCPA is currently enforceable by the California Attorney General, and provides for civil penalties for violations as well as a private right of action for certain data breaches that result in the unauthorized access to, or exfiltration, theft or disclosure of certain types of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, class action data breach litigation. Though regulatory fines have been imposed, the CCPA has not been subject to significant litigation and judicial interpretation and it remains unclear how various provisions will be enforced. Additionally, the CCPA's further expansion under the California Privacy Rights Act may impact our business particularly given its establishment of a new regulatory agency dedicated to enforcing the CCPA's requirements in addition to the California Attorney General, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses, and potentially change our business practices, in an effort to comply.

In addition, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to $5,000 per violation. New legislation proposed or enacted in Illinois, Massachusetts, New Jersey, New York, Rhode Island, Washington, and other states, and a proposed right to privacy amendment to the Vermont Constitution, imposes, or has the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer, and otherwise process confidential, sensitive, and personal information, and will continue to shape the data privacy environment throughout the United States. Currently, there are no United States (federal or state) privacy laws that explicitly mandate data localization, requiring businesses to store personal information locally within the United States. State laws are changing rapidly and there is discussion in the U.S. Congress of a new federal data protection and privacy.

LAWS AND REGULATIONS IN GERMANY

Product compliance and product liability

As a general rule, according to product-related EU and German law, every product must be designed, manufactured and usable in a way that it does not pose inadequate risks to its user. In addition, electrical and electronic products and equipment must comply with definite technical specifications, specific environmental standards, waste management requirements, eco-design and energy labeling requirements for energy-using products and compatibility requirements in order to avoid inadequate interference with other products (e.g. in terms of electromagnetic compatibility and radio waves). The applicable provisions depend on the specifications of the individual product. In particular, the following non-conclusive product-related regulations may be relevant to our products: Directive 2014/35/EU (Low Voltage

Directive), Directive 2014/30/EU (EMC-Directive), Directive 2014/53/EU (Radio Equipment Directive), Directive 2011/65/EU (RoHS Directive), Directive 2012/19/EU (WEEE-Directive), regulations for batteries and accumulators (e.g. Regulation 2023/1542/EU), Directive 2009/125/EC (Eco-design Directive), Regulation (EU) 2017/1369 (Energy Labelling Regulation), Directive 2006/42/EC (Machinery Directive), which has been replaced by Regulation 2023/1230/EU and is already partially applicable, Directive 2001/95/EC (General Product Safety Directive) and Regulation 2023/988 (General Product Safety Regulation coming into force on 13 December 2024), each as amended, and their German law equivalents including the German Product Safety Act (Produktsicherheitsgesetz — the "ProdSG"), and other national supplementary regulations or legal provisions, in particular those transposing, implementing and shaping the legal requirements of the European Union. In addition, Regulation (EU) 2019/1020 (Market Surveillance Regulation) introduces provisions that supplement, further develop and strengthen the existing market surveillance concept and the official tasks and competences of market surveillance authorities.

Briefly summarized those aforementioned regulations, amongst others, provide for requirements regarding (i) product properties (e.g. restrictions on substances, requirements regarding product construction and design, technical standards, radio or electromagnetic frequencies or other material product qualities), (ii) product labeling (e.g. regarding product and manufacturer/importer identification, applicable markings, e.g. CE-marking and energy efficiency labeling), (iii) registration and notification obligations (e.g. the obligation to register electrical and electronic equipment or batteries/accumulators in public registers and participate in a recycling system), (iv) take-back obligations at end of product's life (e.g. taking back electronic equipment or batteries/accumulators), (v) procedural obligations, such as drawing up specific documentation (e.g. technical obligation comprising testing reports, expert opinions and design drawings, declaration of conformity), and (vi) proper instruction and information to users (e.g. user manual in the language of the country where the product is made available, warnings affixed to the product).

Generally, product-related EU and domestic laws are applicable when a product is placed (Inverkehrbringen), made available on (Bereitstellen) or imported to (Einführen) the German or European market. In principle, the acting legal or natural person is considered legally responsible if it acts as manufacturer, authorized representative, importer, distributor or — as expressly provided for in the Market Surveillance Regulation — "fulfillment service provider", i.e. any natural or legal person offering, in the course of commercial activity, at least two of the services warehousing, packaging, addressing and dispatching. A product is placed or made available when it is supplied on the German or European market for distribution, consumption or use without the need for a transfer of ownership or possession, as it is sufficient for the product to be made available or offered (including online distribution) in a way that merely requires acceptance by another market participant.

Products that do not comply with the aforementioned product compliance requirements cannot be marketed in Germany or in the EU. The competent authorities are entitled and obliged to take appropriate measures when they have reason to suspect that a product does not fulfill these requirements. Such measures include, but are not limited to: (i) prohibiting the

exhibition of such product; (ii) ordering that such products be withdrawn or recalled; and (iii) seizing such products, destroying or having them destroyed or otherwise rendered unusable. Furthermore, non-compliance with product safety regulations is subject to fines (for example, non-compliance with the requirements of the ProdSG may result in a fine of up to EUR 100,000 per violation. Under certain conditions, non-compliance may also constitute a criminal offense and lead to imprisonment for up to one year. Particularly in the case of damage to life and limb, considerably higher penalties may be imposed.).

Product liability

In Germany, either the seller or the producer, or both jointly, can be held liable if the product is defective. A distinction is made between product liability, producer liability, and warranty for defects. The rules for liability are to be found in the German civil code (Bürgerliches Gesetzbuch — the "BGB") and in special laws. Pursuant to the BGB, if a product does not fulfill the agreed quality or the quality that is to be expected, the seller in principle would have to either supply the customer with a defect-free product or to repair the defective product. In some circumstances, recourse may be taken against the producer provided recourse from seller to producer is admissible.

In the event a product has caused damage to persons or items (other than the defective product), the producer is strictly liable pursuant to the German Product Liability Act (Produkthaftungsgesetz — the "ProdHaftG"). Liability under the ProdHaftG can neither be restricted nor excluded in advance. The term "producer" may include anyone who presents themselves as its producer by putting his or her name, trademark or other distinguishing feature on the product, distributors, importers and where the producer of the product cannot be identified, each supplier of the product is deemed to be its producer. In principle, the individual who suffered damage must prove the fault, the damage, and the causal link between fault and damage. If more than one person is liable for damages caused by a defective product, each person is jointly and severally liable for the damages attributable to any person. The maximum liability for damages relating to a human being as a consequence of one certain defect in a product is EUR 85 million. The ProdHaftG applies if (i) the aggrieved party has its habitual residence in Germany and the defective product was placed on the German market or (ii) if the defective product was bought in Germany and was placed on the German market or (iii) if the harm arose in Germany and the defective product was placed on the German market. It is sufficient that the producer could reasonably foresee that a product might be placed on the German market by another market participant, e.g. one of its customers, to be liable under the ProdHaftG. Thus, it is not necessary that the defective product was imported to Germany by the producer. Comparable regulations also apply in the other Member States of the EU, as the ProdHaftG serves to implement and transpose the requirements of EU law, namely Directive 85/374/EEC (Product Liability Directive).

Under some circumstances, producers can also be held liable pursuant to tort law under the BGB if the product is defective due to its producer's negligence or even intent (producer liability). Any negligent or intentional breach of the producer's obligations causing damage to property, life, body, health or freedom of a third party or any violation of a protective law

causing such damage may result in a liability towards the harmed party. The distributor can only be held liable for negligence in his own range of duties, such as specific dangers related to transportation and storage. The liability under German tort law is in principle unlimited and we would therefore be liable for all damages caused by the defective product.

According to case law, the producer is also obliged to observe the market. This constitutes a producer's duty of investigation and reaction since product safety and compliance first and foremost lies in the producer's responsibility. In case of product safety issues, this may trigger notification obligations and/or recall actions.

Intellectual Property

In Germany, various laws and regulations grant protection for different types of intellectual property rights, such as the following:

Under the German Patent Act (Patentgesetz) a patent grants the patent owner the right to exclude a third party from making, using, selling, offering for sale, or possessing products or processes using the patented technical invention throughout Germany or importing the invention into Germany. Germany has a "first to file" system which means that the right to a patent for a given technical invention lies with the person who first filed the patent application (regardless of the date the actual invention was made). Another category of intellectual property rights similar to patents are utility models in accordance with the German Utility Model Act (Gebrauchsmustergesetz).

The German Trade Mark Act (Markengesetz) and, on an EU level Regulation (EU) 2017/1001 (EU Trademark Regulation), protects trademarks, which may, inter alia, be or consist of words, a logo, sounds, a shape of goods or of their packaging as well as other wrapping, and/or colors and color combinations. The main purpose of a trademark is to identify products and services and to distinguish them from products and services originating from others. The Act on the Legal Protection of Designs (Designgesetz) protects the appearance of a whole or a part of a product resulting from the features of, inter alia, the lines, contours, colors or shape of the product or its ornamentation. Similar protection on an EU level is granted by Regulation (EC) No 6/2002 (Community Designs Regulation). Trademark and design rights grant its holder certain exclusive rights with regard to the use of the trademark or design on the German (for Community designs and EU trademarks on the European) market.

If intellectual property rights are infringed by third parties, the owner can claim, in particular, injunctive relief, disclosure and compensation for damages.

Regulations on data protection

German and/or (other) European companies are subject to the General Data Protection Regulation (EU) 2016/679 (GDPR), which is promulgated by the European Union. Under certain circumstances, also companies established outside the EU fall under the scope of the GDPR. The GDPR prescribes a risk-based approach to the processing of personal data, i.e. that entities need to establish appropriate risk management practices in order to be able to document and demonstrate compliance, for instance, by conducting regular and ad-hoc risk assessments in various contexts related to the processing of personal data, or risk mitigation.

In addition to the GDPR, the Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) applies in Germany. Under the BDSG, companies in Germany with at least 20 employees regularly dealing with personal data have an obligation to formally appoint a data protection officer, which can be an employee or external service provider. The data protection officer is in charge of ensuring and monitoring data protection compliance and reports directly to the management of the entity.

The GDPR and BDSG require entities to process personal data in compliance with a set of general principles that are reflected in specific compliance requirements stipulated by them, for instance:

- Before processing personal data, an entity must ensure that the processing will comply with the general principles set out in the GDPR. These general principles are mainly related to the principle of lawfulness, transparency, purpose limitation, data minimization, accuracy, storage limitation, data security and accountability.

- Once the entity has assessed the specific intended processing activity, a legal basis for processing the personal data must be identified. The bases are stipulated in the GDPR and BDSG.

- The GDPR confers data subjects a number of rights with respect to the entity that is processing their personal data and, at the same time, imposes corresponding obligations on the entity. For example, the entity must be transparent about the processing of personal data and proactively give information to those persons whose personal data are intended to be processed. The data subjects also have a set of rights, such as the right to have their personal data deleted under certain circumstances, the right to have inaccurate data corrected and the right to access the personal data the entity processes about them.

- The GDPR does not mandate that personal data must be stored within the EU. However, it requires that organizations can only transfer personal data to third countries if they ensure an adequate level of protection, either through an adequacy decision by competent authorities or appropriate safeguard measures.

- The GDPR requires an entity to maintain a record of its processing activities under its responsibility. This record must contain a list of information, such as the purposes of the processing, categories of personal data, categories of recipients etc.

- The GDPR also imposes a requirement to have data processing agreements with companies to whom processing of personal data is outsourced (the "**data processor**"). The purpose of the data processing agreement is to ensure that the data processor is contractually bound to implement appropriate technical and organizational measures that ensure compliance with the requirements in the GDPR and protect the rights of the data subjects.

- The GDPR imposes specific rules and requirements for the transfer of personal data to countries outside the European Union.

- The GDPR allows member states of the European Union to maintain or introduce further conditions, including limitations, with regard to the processing of genetic data, biometric data or data concerning health.

Non-compliance with the GDPR can result in fines of up to EUR 20 million or 4% of the company's or group's total worldwide annual turnover, whichever is higher. Penalties such as imprisonment may also be imposed. Furthermore, an entity may be held liable for the damages suffered by the data subjects as a result of the non-compliant processing of personal data.

Foreign trade and customs law

Within the market of the EU, the principle of free movement of goods applies. With respect to the import and export of goods from or to countries that are not member states of the EU, national and European foreign trade and customs regulations apply. At EU level, the relevant regulatory framework is set out in Regulation (EU) No 952/2013 of the European Parliament and of the Council ("**UCC**"). The UCC entered into force on May 1, 2016, but some transitional agreements still apply, most notably because not all of the electronic systems to deal with formalities are in place yet. The UCC was also amended by Regulation (EU) 2019/632 allowing customs authorities and economic operators to continue using transitional arrangements (*i.e.*, existing IT systems or paper-based arrangements) for the completion of a small number of customs formalities, until 2025 at the latest when new or upgraded IT systems for the completion of those formalities will be in place.

Whereas imports and exports within the EEA are in principle not liable to customs duty, the movement of goods beyond the frontiers of the EEA is subject to customs control between the customs union of the EU and EEA member states which are not EU member states. The customs control charges, among other things, statutory import duties. Customs offices may, from time to time, initiate customs inspections to assess whether customs regulations have been infringed.

LAWS AND REGULATIONS IN SOUTH KOREA

We are subject to various laws and regulations in South Korea that are relevant to our business operations in South Korea.

Commercial Code and Dividend Distribution

The Korean Commercial Code (the "**KCC**") was first enacted on January 20, 1962 and most recently amended on December 29, 2020. Under the KCC, a limited company (*yuhan hoesa* in Korean) is recognized as a legal entity. Limited companies are established with the contribution of capital by one or more persons in uniform units, and each unitholder's liability is limited to the amount of their capital contribution. Unitholders bear no direct liability to the company's creditors beyond their capital contribution.

A limited company differs from a stock company (*jusik hoesa* in Korean) in several ways. For instance, the governance structure of a limited company is simpler, requiring the appointment of one or more directors, whereas a stock company requires at least three directors (or less if the aggregate share capital of a stock company is less than KRW100,000,000). These distinctions make limited companies more suitable for small, privately-held businesses and stock companies ideal for larger, public enterprises.

According to the KCC, a limited company shall distribute its profits according to the proportion of each unitholder's capital contribution unless otherwise specified in the articles of incorporation. Dividends can only be made within the limits of the company's distributable profits, which are calculated by subtracting the company's capital, reserves, and unrealized profits from its net assets as stated on the balance sheet. The decision to distribute dividends is made by resolution of the unitholders' meeting. Before any distribution of profits, the company is required to set aside a statutory reserve, amounting to at least 10% of profits until the reserve reaches 50% of the company's capital. Distributing profits beyond the scope of distributable profits is deemed unlawful and imposes liability on the company and its directors. Additionally, profit distribution cannot take the form of a refund of capital contributions. These regulations aim to ensure the financial stability of the company and protect the rights of its unitholders, emphasizing that the distribution of profits in a limited company must strictly comply with the legal requirements and procedures established under the KCC.

The KCC also applies to foreign unitholders of limited companies, while the foreign unitholders of limited companies shall be subject to additional obligations imposed by laws related to foreign investment, including the Foreign Exchange Transactions Act (the "**FETA**") and the Foreign Investment Promotion Act (the "**FIPA**") as further explained below.

Foreign Investment and Foreign Exchange Controls

The FETA applies to all matters concerning foreign exchange and foreign investment, and FIPA stipulates additional obligations applicable to 'foreign investment' that meets specific requirements. Under the FIPA, "foreign investment" is defined to include the case where a foreign entity holds 10% or more of the stocks or shares of a Korean corporation or company that is operated by a national of the Republic of Korea and the investment amount of such foreign entity is KRW100 million or more, and such Korean corporation or company subject to "foreign investment" is referred to as a "foreign investment company" under the FIPA.

Under the FIPA, international remittance of any profits arising from the shares held by a foreign investor, its sale proceeds and/or related commissions is guaranteed in accordance with the details of a report or permission on the related foreign investment that was filed or obtained as at the time of such remittance, and such foreign investors and/or foreign investment companies are in principle treated in the same manner the nationals of the Republic of Korea or Korean corporations are treated in respect of their business operation.

Under the FIPA a foreigner who intends to make a foreign investment is required to make a prior report thereon to the Minister of Trade, Industry and Energy, and a foreign investment company is required to register as a foreign investment company with the Minister of Trade, Industry and Energy after completing the payment of its contributions or acquisition of necessary shares.

Under the FETA, any transaction that involves the transfer of shares and the payment of cash in consideration for such shares between residents and non-residents of South Korea is generally subject to a reporting requirement that involves the filing of a report with the Bank of Korea or a relevant foreign exchange bank. However, no such reporting is necessary in connection with any purchase by a non-resident of shares in a Korean company from a resident for the purpose of foreign investments permitted under the FIPA.

Under FETA, if the South Korean government deems that: (a) the need to do so is inevitable due to the outbreak of natural calamities, wars, conflict of arms or grave and sudden changes in domestic or foreign economic circumstances or other similar situations, the Ministry of Strategy and Finance may temporarily suspend payment, receipt or the whole or part of transactions to which the Foreign Exchange Transaction Laws apply, or impose an obligation to safe-keep, deposit or sell means of payment in or to certain South Korean governmental agencies or financial institutions; and (b) an international balance of payments and international finance are confronted or are likely to be confronted with serious difficulty or the movement of capital between South Korea and abroad brings or is likely to bring about serious obstacles in carrying out its currency policies, exchange rate policies and other macroeconomic policies, the Ministry of Strategy and Finance may take measures to require any person who intends to perform capital transactions to obtain permission or to require any person who performs capital transactions to deposit part of the payments received in these transactions at certain South Korean governmental agencies or financial institutions. However, the above provision of the FETA does not apply to any foreign investment companies prescribed by the FIPA.

Employment, Labor and Workplace safety

Employment — Labour Standards Act (the "LS Act")

The LS Act is the primary legislation in South Korea governing employee relations and sets out minimum requirements for working conditions at the workplace. Any term or provision of an individual employment agreement, the rules of employment which are made by employer or a collective bargaining agreement which fails to meet the minimum requirements under the LS Act becomes null and void. In addition to the LS Act, there are a few statutes which apply to specific labor-related matters.

According to the LS Act, in order to enter into an employment relationship: (a) employers must execute written labor contracts with employees; (b) work hours shall not exceed 40 hours a week, eight hours a day (excluding hours of recess) in general, unless there is a separate agreement between the parties and overtime payment is provided to employees; (c) employers shall not, without justifiable cause, dismiss, lay off, suspend, or transfer a worker, reduce wages, or take other punitive measures against employees; (d) employers shall establish its work safety measures and sanitation system and provide employees with workplace safety training; and (e) employers are required to pay salaries to employees on time and salaries paid to employees shall not be lower than the minimum salary standard defined under the Minimum Wage Act.

Other Labour Related Regulations

The other main labor related laws in South Korea include the Minimum Wage Act, the Wage Claim Guarantee Act, the Employee Retirement Benefit Security Act, the Act on Equal Employment and Support for Work-Family Reconciliation, the Act on the Promotion of Workers' Participation and Cooperation, the Occupational Safety and Health Act, and the Trade Union and Labor Relations Adjustment Act.

In addition to the above legislations, employers are also required to make contributions to four major social insurance (national health insurance, national pension, employment insurance and industrial accident compensation insurance, respectively) in accordance with the National Health Insurance Act, the National Pension Act, the Employment Insurance Act and the Industrial Accident Compensation Insurance Act.

Tax

Withholding tax on dividend income

Under the relevant South Korean tax laws, in the absence of a tax treaty between South Korea and the country in which the foreign company resides, Korean sourced dividend income earned by a foreign company, which does not have a permanent establishment in South Korea, may be subject to Korean withholding tax at the rate of 22% (including local income tax) on the dividend amount.

Under the Korea-Hong Kong Tax Treaty, (a) a withholding tax rate of 10% applies on the dividend income from the Korean corporation to its beneficial owner that is a Hong Kong corporation (excluding partnerships) holding at least 25% of the capital of the Korean corporation, and (b) a withholding tax rate of 15% applies in other cases. However, to benefit from the reduced rate under the above tax treaty, the applicant must submit an application for entitlement to the reduced tax rate, as prescribed under the Korean Corporate Income Tax Act.

Corporate Income Tax Act

Domestic corporations are required to pay corporate income tax in accordance with the Corporate Income Tax Act. Filing of corporate income tax return is required twice a year. The year-end return is due within three months from the end of the month in which the end of the fiscal year belongs to and the interim return is due within two months after the end of the interim six-month period. Under the Corporate Income Tax Act, the tax rate is 9.9% (including local income tax) for the first KRW200 million of taxable income, 20.9% (including local income tax) for the taxable income over KRW200 million but less than KRW20 billion, 23.1% (including local income tax) for the taxable income exceeding KRW20 billion but less than KRW300 billion, and 26.4% (including local income tax) for the taxable income exceeding KRW300 billion.

If other deductions and credits are applicable under the Korean tax act, the effective tax rates applicable to domestic corporations can be further reduced.

Customs Clearance Procedures in Korea

Customs clearance in Korea is governed by the Customs Act, which outlines procedures for the import, export, and return of goods. The import clearance process involves submitting an import declaration to the customs office, where details such as the name, standard, quantity, and price of goods must be reported. The declaration is generally made after the arrival of the vessel or aircraft carrying the goods, though pre-arrival declarations are permitted for expedited processing. Importers must provide essential documentation, including invoices, packing lists, bills of lading, certificates of origin (if required) and other documents confirming compliance with import regulations. The Korea Customs Service supports electronic submissions to streamline the process.

The customs process includes screening of documents and physical inspection of goods to ensure compliance with Korean laws and regulations. Inspection methods may vary from selective sampling to full inspections, depending on the nature of the goods and compliance history of the importer. Upon successful inspection and acceptance of the declaration, a Certificate of Import Declaration is issued. Importers are responsible for advance or post-payment of customs duties, depending on the clearance type. Goods can be released from bonded areas upon acceptance of the declaration and payment of applicable duties.

In cases where imported goods need to be returned without completing the import declaration, a return clearance process is followed to ship the goods back to their origin.

Tariffs in Korea

In Korea, tariffs are generally imposed on imported goods to secure tax revenue and support domestic industries. The basic tariff rate is determined based on the classification of the HS Code, the internationally standardized system for classifying goods, established by the World Customs Organization (WCO), used for customs duties, trade statistics, and determining the origin of products. For industrial products, as classified under the HS Code, a tariff rate of 8% or lower is generally applied. Korea has signed more than 20 Free Trade Agreements (FTAs), covering imports from over 50 countries. The preferential tariff rates stipulated in each FTA take precedence over the basic tariff rate when applicable. Additionally, special tariff measures such as anti-dumping duties, retaliatory tariffs, emergency tariffs, countervailing duties, and international cooperation tariffs also take precedence over the basic tariff rate when imposed. Additionally, a customs duty refund system allows exporters or producers to reclaim duties paid on imported raw materials used in the production of exported goods, provided the processing and export occur within two years from the date of importation.

INTERNATIONAL SANCTIONS LAWS AND REGULATIONS

International sanctions laws regulate activities involving sanctioned countries, entities, and individuals across multiple jurisdictions, including the U.S., UN, EU, UK, and Australia. In the U.S., OFAC enforces both primary and secondary sanctions, which target U.S. persons and non-U.S. persons engaging in certain transactions, respectively. OFAC's sanctions programs cover countries like Cuba, Iran, and North Korea, and extend to entities on the Specially Designated Nationals list. UN sanctions, authorized under Chapter VII of the UN Charter, aim to maintain international peace and security and have been applied to issues like terrorism, human rights, and non-proliferation. The EU and UK sanctions frameworks focus on limiting business with sanctioned parties and preventing the transfer of restricted goods. Australian sanctions prohibitions apply to Australians, individuals in Australia, certain foreign entities, and Australian-flagged transport.

Our International Sanctions Legal Advisors have provided the following summary of the sanctions regimes imposed by our respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the UK, the United Nations and Australian sanctions in their entirety.

U.S.

Treasury regulations

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. 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 programmes currently apply to Cuba, Iran, North Korea, Syria, 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 programme 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, 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.