
REGULATORY OVERVIEW

This section sets out summaries of certain aspects of Chinese Mainland, Hong Kong, Taiwan and Vietnam laws, regulations and policies, which are relevant to our business operations.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN CHINESE MAINLAND

REGULATIONS ON COMPANY

The establishment, operation and management of corporate entities in the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**PRC Company Law**”), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 29, 1993 and was last amended on December 29, 2023. The PRC Company Law also applies to foreign-invested companies and where laws on foreign investment have other stipulations, such stipulations shall prevail.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”). The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition.

On September 6, 2024, MOFCOM and the NDRC released the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”). 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.

REGULATIONS ON OUTBOUND INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (2014) (《境外投資管理辦法(2014)》) promulgated by the MOFCOM on September 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017, a domestic enterprise in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects under the supervision of the NDRC and its local counterparts.

REGULATIONS ON PRODUCT QUALITY

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”) promulgated by SCNPC which was latest amended on December 29, 2018, applies to all production and sale activities in the PRC. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product’s manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities.

REGULATORY OVERVIEW

REGULATIONS ON IMPORT AND EXPORT OF GOODS

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 27, 2025, and the Regulations on the Administration of Import and Export of Goods of the PRC (《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 and last amended on March 10, 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 Customs Law of the PRC (《中華人民共和國海關法》) promulgated on January 22, 1987 and last 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.

REGULATIONS ON PRODUCTION SAFETY

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, applies to all entities engaging in production and business activities in the PRC. Such entities shall, among others, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety and improve working conditions . Violations of the Production Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

REGULATIONS ON FIRE PREVENTION

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the “**Fire Prevention Law**”) issued by the SCNPC on April 29, 1998 and last amended on April 29, 2021, fire protection design and construction in construction projects shall be in conformity with the national technical standards for fire safety in engineering construction. According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and last amended on August 21, 2023, special construction projects as defined under these provisions shall conduct fire protection design review and fire protection acceptance inspection, construction projects other than such special construction projects shall file protection acceptance of the project with competent authority.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

According to 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 and last amended on April 24, 2014, the Ministry of Ecology and Environment of the PRC (the “**MEE**”) and its local counterparts are authorized to issue standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC.

REGULATORY OVERVIEW

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018, the Regulation on the Administration of 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 last amended on July 16, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017, the PRC implements an environmental impact assessment system for construction projects. Prior to the commencement of a construction project, the construction entity must submit an environmental impact report, an environmental impact statement for approval, or an environmental impact registration form for record-filing, as required by the competent environmental protection administrative department under the State Council. Furthermore, upon completion of a construction project for which an environmental impact report or statement has been prepared, the construction entity must conduct an acceptance inspection and prepare an acceptance report.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the MEE on April 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and, enterprises, public institutions and other producers and business operators that are included in the category-based administration catalog of pollutant discharge licensing for stationary pollution sources issued by the MEE are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the MEE on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

Urban Drainage

According to the Regulation on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated by the State Council on October 2, 2013, and the Administrative Measures on Licensing of Urban Sewage Discharging into Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on January 22, 2015 and last amended on December 1, 2022, enterprises, institutions and individual industrial and commercial households engaging in industry, construction, catering industry, medical industry and discharging sewage into the urban drainage network must apply for and obtain a license for urban drainage.

REGULATIONS ON 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 last amended on October 17, 2020, and its implementation rules, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the duration of patent rights for invention patents, utility model patents, and design patents are twenty years, ten years and fifteen years, respectively.

REGULATORY OVERVIEW

Trademark

According to 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 last amended on April 23, 2019, and its implementation rules, trademarks approved by and registered with the Trademark Office are registered trademarks, including good marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of the registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date.

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 last amended on November 11, 2020, works of PRC citizens, legal persons or unincorporated organization, which refer to intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not, enjoy copyrights. Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council’s copyright administrative department.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (Revised in 2019) (《中華人民共和國反不正當競爭法》(2019修正)) (the “**Anti-Unfair Competition Law**”), promulgated by SCNPC on April 23, 2019 and last amended on June 27, 2025, the term “trade secrets” refers to technical information, business information, and other commercial information that is not known to the public, has commercial value, and for which the right holder has taken corresponding confidentiality measures. Where any party infringes upon trade secrets of the right holder, regulatory authorities may order the cessation of any illegal activities, confiscate the illegal gains and impose fine on the infringing party.

REGULATIONS ON LABOR AND SOCIAL WELFARE

Labor

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and last amended on December 28, 2012, and its implementation rules, labor relationship between employers and employees must be executed in written form. Where a labor relationship has already been established but no formal contract has been made, a written labor contract shall be entered into within one month from the date when the employee begins to work.

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》) which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, and the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council and amended on March 24, 2019, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Employers who

REGULATORY OVERVIEW

failed to promptly make social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a prescribed time limit, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within prescribed time limit, the relevant administrative authorities shall impose a fine ranging from one to three times the outstanding amount.

According to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated by the Supreme People’s Court on July 31, 2025 and effective on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people’s court.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and was last amended on March 24, 2019, enterprises in the PRC are required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. If an employer does not register the contribution of the housing provident fund or does not establish housing provident fund account for its employees, the housing provident fund management center shall order it to be handled within a prescribed period. Employers who fail to make up the procedures within the prescribed period shall be given a fine of RMB10,000 to RMB50,000. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed period; where the payment and deposit have not been made after the expiration of the prescribed period, an application may be made to a people’s court for compulsory enforcement.

REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), which was last amended on December 29, 2018. On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which became effective on January 1, 2008 and last amended on December 6, 2024. Under the EIT Law and its implementation regulations, both resident enterprises and non-resident enterprises are subject to tax in China. Under the EIT Law and relevant implementing regulations, resident enterprises are subject to a uniform corporate income tax rate of 25%. According to the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (the “**VAT Regulations**”) promulgated by the State Council on December 13, 1993 and latest amended on November 19, 2017, and the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, enterprises and individuals engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC shall pay value-added tax. According to the VAT Law, the VAT rates applicable to ordinary taxpayers are 13%, 9%, 6% and 0% and the VAT rate to which the simple tax computation method applies is 3%.

REGULATORY OVERVIEW

Dividend Distribution

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) promulgated by the SCNPC on September 10, 1980 and last amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) promulgated by the SCNPC on January 28, 1994 and last amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a uniform rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the SAT and the CSRC on September 7, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the EIT Law and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC since January 1, 2008, an enterprise income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless the jurisdiction in which such non-PRC resident investors are incorporated has a tax treaty with the PRC that provides for a preferential withholding arrangement. According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same date, a PRC resident enterprise is required to withhold enterprise income tax at a uniform rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares since 2008. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (“**the Arrangement**”), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC-resident enterprise to Hong Kong residents (including resident individuals and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC-resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC-resident enterprise, then such tax shall not exceed 5% of the total dividends payable by the PRC-resident enterprise. The Fifth Protocol of the Arrangement between the

REGULATORY OVERVIEW

Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), which came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement.

The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

REGULATIONS ON FOREIGN EXCHANGE

According to the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) which were promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008, the current account incomes of foreign exchanges can be retained or sold to financial authorities which manage exchange settlement and sale and purchase of foreign exchange. However, approval from the SAFE or its local branches is required for the relevant capital account transactions of the foreign invested enterprises, such as the capital increase and decrease. Foreign invested enterprises may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing documents evidencing such transactions. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside the PRC are subject to limitations and require approvals from the SAFE.

According to the Notice of the State Administration of Foreign Exchange on Relevant Issues of Foreign Exchange Control of 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》) issued by the SAFE on December 26, 2014, the SAFE and its branch offices and foreign exchange administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, accounts opening and use, cross-border payments and receipts, and exchange of funds involved in overseas listing. Domestic companies shall, within 15 working days upon the end of their public offering overseas, handle overseas listing registration with the foreign exchange authority at their place of registration with relevant materials.

According to the Circular of the SAFE 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》) which was promulgated on June 9, 2016, the settlement of foreign exchange under the capital account (including foreign exchange capital, external debts, funds repatriated from overseas listing, etc.) entitled to discretionary settlement according to relevant policies, shall be conducted in the banks for real business needs.

According to the Circular of SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated on April 10, 2020, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

REGULATORY OVERVIEW

REGULATIONS ON OVERSEAS LISTING

According to the Securities Law of PRC (《中華人民共和國證券法》), which was last amended by the SCNPC on December 28, 2019, a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

On February 17, 2023, the CSRC issued the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”), and five supporting guidelines, which became effective on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, companies in Chinese Mainland that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing.

On February 24, 2023, the CSRC, together with other relevant government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the 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》) (the “**Confidentiality and Archives Provisions**”), which took effect on March 31, 2023. Pursuant to the Confidentiality and Archives Provisions, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the “Import and Export Ordinance”)

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 under sections 6C and 6D unless with the relevant licences which are issued under section 3 of the Import and Export Ordinance. Pursuant to section 6C of the Import and Export Ordinance, no person shall import any article specified in schedule 1 to the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong) except under and in accordance with an import licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Section 6D of the Import and Export Ordinance provides that no person shall export any article specified in the second column of schedule 2 to the Import and Export (General) Regulations to the place specified opposite thereto in the third column of

REGULATORY OVERVIEW

the schedule except under and in accordance with an export licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Any person who contravenes sections 6C or 6D of the Import and Export Ordinance shall be guilty of an offense and liable to a fine of HK\$500,000 and to imprisonment for two years on summary conviction, or a fine of HK\$2,000,000 and to imprisonment for seven years on conviction on indictment.

During the Track Record Period and as at the Latest Practicable Date, our Group had not imported any articles which would contravene section 6C of the Import and Export Ordinance nor exported any articles which would contravene section 6D of the Import and Export Ordinance, and is not required to obtain a licence under section 3 of the Import and Export Ordinance.

Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the “Import and Export Regulations”)

Regulation 3 of the Import and Export Regulations sets out exemptions in respect of regulations 4 and 5. Pursuant to regulation 4 of the Import and Export Regulations, every person who imports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete import declaration relating to such article using the specified system, 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 of the article to which it relates.

Regulation 5 of the Import and Export Regulations requires that every person who exports or re-exports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete export declaration relating to such article using the specified system, 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 exportation of the article to which it relates.

Any person fails or neglects to do such declaration as required under regulations 4 and 5 of the Import and Export Regulations within 14 days after the importation or exportation (as the case may be) of the article to which it relates without any reasonable excuse shall be liable to (1) a fine of HK\$2,000 upon summary conviction; and (2) commencing from the date of conviction, a fine of HK\$100 in respect of everyday during which his failure or neglect to lodge such declaration in that manners continues. Further, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be liable on summary conviction to a fine of HK\$10,000.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN TAIWAN

Regulations on product quality and consumer protection

Product quality and consumer protection in Taiwan are primarily governed by the Consumer Protection Act and other relevant laws and regulations. Under the Consumer Protection Act, manufacturers, importers and suppliers are required to ensure that products supplied to consumers are reasonably safe under normal or foreseeable use and do not pose undue risks to personal safety or property. Where products are found to be defective or unsafe, the relevant responsible parties may be required to bear civil liabilities, including compensation for damages.

REGULATORY OVERVIEW

Certain categories of products may also be subject to mandatory inspection, testing or compliance with prescribed technical or safety standards. Failure to comply with the applicable requirements may result in administrative penalties, product recalls, suspension of sales or other regulatory actions.

Regulations on mergers and acquisitions

Mergers and acquisitions by Chinese Mainland enterprises in Taiwan are governed by a regulatory framework primarily centered on investment-related regulations in Taiwan. The Department of Investment Review (the "**Investment Commission**") under the Ministry of Economic Affairs of Taiwan is the primary body responsible for reviewing Chinese Mainland investments. Pursuant to the investment-related regulations of Taiwan, investments in Taiwan by enterprises or individuals from the Chinese Mainland, whether directly or indirectly, including the establishment of companies, acquisition of equity interests, or mergers and acquisitions involving local Taiwan enterprises, are subject to prior approval or filing with the Investment Commission, and are subject to restrictions on investment scope, shareholding structure, and business activities.

Where Chinese Mainland enterprises and individuals engage in business activities in connection with their investments in Taiwan, such activities may involve unauthorized business operations in breach of the related investment regulations. Such breaches may result in regulatory actions, including orders to rectify, suspension or termination of the investment, disposal of relevant interests, administrative penalties, or criminal liabilities. For the most serious breaches, the statutory limitation period for the Taiwan authorities to prosecute or conclude legal proceedings can reach 20 years. Under current Taiwanese laws, should Chinese Mainland enterprises or individuals fail to appear before the Taiwan court, the maximum potential liabilities consist of detention for not more than 60 days and a fine of not more than NT\$15 million.

Regulations on environmental protection

Environmental protection in Taiwan is regulated under a comprehensive legal framework, primarily comprising the Basic Environmental Act, the Environmental Impact Assessment Act, and related legislation such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act and the Noise Control Act. Enterprises engaging in manufacturing or other activities that may have an environmental impact may be required to obtain relevant permits, approvals or registrations, and to comply with applicable requirements relating to emissions, waste disposal and pollution control.

Non-compliance with applicable environmental laws and regulations may result in regulatory enforcement actions, including fines, orders for rectification, suspension of operations and criminal liabilities.

Regulations on fire safety

Fire safety and fire prevention in Taiwan are primarily governed by the Fire Services Act and its related enforcement rules. Under the Fire Services Act, administrators of factories, warehouses and other production or operating premises are required to install, maintain and manage fire safety equipment and facilities in accordance with applicable standards, and to implement fire prevention and emergency response measures. The competent authorities are empowered to conduct inspections and require rectification of any non-compliance.

REGULATORY OVERVIEW

Failure to comply with the relevant fire safety requirements may result in fines, orders to rectify, and, where serious violations result in personal injury or significant loss, criminal liabilities for the responsible persons.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN VIETNAM

Regulations on Foreign Investment

From a legal standpoint in Vietnam, foreign investors are permitted to choose from the following investment forms: (i) formation of an economic organization; (ii) acquisition of shares or capital contribution; (iii) the implementation of an investment project; and (iv) business cooperation contract. Among the above-mentioned forms, the most prevalent investment form is the establishment, operation, and management of a foreign-invested economic organization/company (“**FIC**”) in Vietnam, which would be notably governed by the Law on Investment 2020 (as amended) and the Law on Enterprises 2020 (as amended).

According to the Law on Investment 2020 (as amended), before the establishment of a FIC, foreign investors must have an investment project and must notably apply for an investment registration certificate (“**IRC**”) from the relevant Vietnamese licensing authority of the location where the investment project will be based (“**Investment Licensing Authority**”). The Investment Licensing Authority is either the relevant provincial Department of Finance (“**DOF**”), or the management authority of the relevant industrial zone/export processing zone/economic zone/high-tech zone (“**Special Zone**”), depending on the registered location of the investment project. Pursuant to the Law on Enterprises 2020 (as amended), after obtaining an IRC, the foreign investor (owner) of the FIC must submit a dossier to the business registration authority under the DOF to apply for an enterprise registration certificate (“**ERC**”) in order to incorporate the FIC.

With effect from 1 March 2026, the new Law on Investment 2025 permits foreign investors to obtain an ERC prior to an IRC.

A foreign investor establishing an FIC may be subject to limitations on foreign investment. The foreign investors should see if the expected business lines (in both cases of new establishment of the FIC or expanding new business lines for existing FIC) fall within the list for which foreign investment is prohibited or subject to market access conditions. After obtaining an IRC and an ERC, an FIC must carry out several statutory procedures, such as opening a tax declaration account, filing the tax declaration, and submitting periodic reports on the progress and implementation of the investment project.

Similarly, when conducting investment activities, an economic organization will be considered as a foreign investor equivalent entity (“**FIEE**”) and subject to the investment procedures and conditions applicable to foreign investors as mentioned above if it falls in any of the following circumstances: (A) foreign investor(s) holds more than 50% of the charter capital of the economic organization or majority of the partners of an economic organization constituted in the form of a partnership are foreign individuals; (B) economic organization(s) referred to in point (A) holds more than 50% of the charter capital of another economic organization; and (C) foreign investor(s) and the economic organization(s) referred to in point (A) jointly hold more than 50% of the charter capital of another economic organization.

REGULATORY OVERVIEW

Regulations on Product Quality

In Vietnam, there are two (02) types of technical characteristics and management requirements applicable to goods manufactured in Vietnam for exporting purposes which are technical regulations (in Vietnamese, “*quy chuẩn kỹ thuật*”) and technical standards (in Vietnamese, “*tiêu chuẩn kỹ thuật*”) pursuant to the Law on Technical Standards and Regulations No. 68/2006/QH11 adopted by the National Assembly of Vietnam on June 29, 2006, as amended (the “**Law on Technical Standards and Regulations 2006**”) and Decree No. 127/2007/ND-CP dated August 1, 2007 of the Government guiding in details the implementation of this Law, as amended (“**Decree 127/2007**”). While technical regulations must be strictly complied with during the production and trading of goods if applicable, technical standards are generally applied on a voluntary basis unless they are specifically prescribed by law or incorporated into technical regulations; in each case, such technical standards become mandatory. The Law on Technical Standards and Regulations 2006 also does not restrict the adoption of international technical standards for goods manufacturing in Vietnam.

For export processing enterprises (“**EPE**”) that manufacture goods not intended for circulation in the Vietnamese market but for export, such manufactured products are generally not subject to specific technical regulations or standards under Vietnamese law. Under the Law on Quality of Goods and Products No. 05/2007/QH12 adopted by the National Assembly of Vietnam on November 21, 2007, as amended, manufacturers operating as EPEs and producing goods for export are required to ensure that their exported products comply with the regulations of the importing country, the contractual terms, and any applicable international treaties or mutual recognition agreements on conformity assessment between the relevant countries or territories. Manufacturers may, on a voluntary basis, adopt certain relevant Vietnamese technical standards.

Regulations on Firefighting and Prevention

Law on Firefighting, Prevention and Rescue No. 55/2024/QH15, adopted by the National Assembly of Vietnam on November 29, 2024 (the “**Law on Firefighting and Prevention 2024**”), effective from July 1, 2025, imposes various rules and obligations on firefighting and prevention that an enterprise must comply with.

Appraisal On Fire Prevention and Extinguishment Design and Approval of Acceptance Result on Firefighting and Fire Prevention

Before starting the construction of the construction works that are listed under Annex III of Decree No. 105/2025/ND-CP dated 15 May 2025 elaborating on a number of articles and measures for implementing the Law on Firefighting and Prevention 2024 (“**Decree 105/2025**”), the owners of construction works are required to have the fire-fighting and prevention design appraised and approved by the competent authorities. Upon completion of construction and prior to commencement of operation of construction works, such owners must organize the acceptance of firefighting and prevention design and obtain approval from the competent authorities for the acceptance result.

Compulsory Fire and Explosive Insurance

Pursuant to Decree 105/2025, any facility listed under Annex VII is required to obtain compulsory fire and explosion insurance for its properties, except for facilities under the management of by the Ministry of National Defense or the Ministry of Public Security for military, defense, security, and public order purposes.

REGULATORY OVERVIEW

Regulations on Environmental Protection

The Law on Environmental Protection No. 72/2020/QH14 was adopted by the National Assembly of Vietnam on November 17, 2020. This law, as amended (the “**Law on Environmental Protection 2020**”), establishes the legal framework for environmental protection in Vietnam and sets out the rights and obligations of related individuals and organizations.

Regarding regulations concerning environmental license, the environmental license is issued by the competent authority to an organization or individual engaged in production, business, or service activities that discharge waste into the environment, manage waste, or import scraps for use as production materials, subject to environmental protection requirements and conditions specified by law. The investors of Group-I Projects, Group-II Projects, and Group-III Projects must obtain an environmental license when officially commencing operations if the projects: (i) discharge wastewater, dust, or emissions that must be treated; or (ii) discharge hazardous wastes that must be managed in accordance with the law.

Regarding regulations concerning environmental registration, this requirement applies to projects or businesses that generate waste but are not subject to an Environmental License, except in certain limited cases, such as when only small amounts of waste are generated and managed through on-site treatment facilities or monitored under local government regulations

Regarding regulations concerning waste management, organizations and individuals generating or managing waste are required to classify, collect, store, transport, treat, recycle, or dispose of waste in accordance with technical and environmental regulations specific to each type of waste. Waste generators must implement measures to minimize waste generation, ensure proper management of hazardous and non-hazardous waste, and transfer waste only to licensed entities.

Regarding regulations concerning environmental impact assessment, projects that are likely to cause adverse environmental impacts are required to conduct an environmental impact assessment (“EIA”) and submit an environmental impact assessment report to the competent environmental authority for appraisal and approval in accordance with the procedures prescribed by law. An EIA report summarizes the legal basis and background of the project, assesses its compliance with environmental planning and applicable laws, and evaluates the selected technologies, facilities, and activities that may affect the environment. It identifies and forecasts key environmental impacts and waste generation across project phases, including impacts on sensitive receptors and potential environmental incidents. The report also proposes waste management solutions, mitigation and incident response measures, an environmental management and monitoring program, presents consultation results, and sets out the project owner’s conclusions and commitments.

Regulations on Intellectual Property

Intellectual property (“IP”) rights in Vietnam are primarily governed by the Law on Intellectual Property No. 50/2005/QH11, adopted by the National Assembly of Vietnam on November 29, 2005, as amended, together with its implementing regulations. The law provides protection for copyrights, trademarks, patents, industrial designs, geographical indications, trade secrets, and plant varieties, among others. Vietnam follows a “first-to-file” principle for the registration of industrial property rights such as trademarks and patents. Applications are administered by the Intellectual Property Office of Vietnam under the Ministry of Science and Technology. Vietnam is also a member of major international treaties on IP protection, including the Paris Convention 1883, the Berne Convention

REGULATORY OVERVIEW

1886, the Madrid System, and the Patent Cooperation Treaty. Enforcement of IP rights may be pursued through administrative actions, civil proceedings, or criminal sanctions, depending on the nature and seriousness of the infringement.

Regulations on Labor and Social Welfare

The Labor Code No. 45/2019/QH14, adopted by the National Assembly of Vietnam on November 20, 2019 (the “**Labor Code 2019**”), sets out the legal framework for labor-related matters. The Government and the Ministry of Labor, War Invalids and Social Affairs (which has since been merged into the Ministry of Home Affairs) have also issued a number of decrees and circulars to implement the Labor Code 2019. Generally, the Labor Code 2019 provides key principles for rights and obligations of employers and employees, labor contracts, requirements on salary, working and rest hours, compulsory insurances, internal labor rules, trade unions, and the use of foreign employees, etc.

Labor Contract

An employment relationship is governed by the contractual agreement entered into between the employer and employee. Labor contracts may take one of the following forms: (i) indefinite-term labor contract (a contract in which the two parties do not fix the term nor the time of termination of validity of the contract); or (ii) definite-term labor contract (a contract in which the two parties fix the term and the time of termination of the validity of the contract, which shall not exceed 36 months from the effective date of the contract). A labor contract shall have mandatory contents such as the particulars of the employer, particulars of employees, job description and workplace, employment term, wage/salary, regimes for promotion and salary increase, working and resting time, personal protective equipment, social insurance, health insurance and unemployment insurance, training, fostering and raising trade/vocational qualifications and skills.

The signed labor contract may be terminated under circumstances specified under the law. In the event of unilateral termination, the terminating party shall comply with the procedures and conditions required by law.

Salary

Salary includes wage rates for the work or position, plus allowances and other additional benefits. The wage rate of an employee shall not be lower than the minimum wage rate stipulated by the Government from time to time.

Working Hours

Normal working hours shall not exceed eight hours per day and 48 hours per week. Employers may request employees to work overtime, provided that the employer has obtained the employees’ consent. The number of overtime working hours shall not exceed 50% of the normal working hours per day or 200 hours per year. In some special cases, the Government allows overtime working hours to go up to 300 hours per year. Employees who work overtime are entitled to additional wages.

Employees are entitled to at least one rest day per week. Employees who have been employed for 12 months are entitled to a minimum of 12 days of paid annual leave per year. Furthermore, employees are entitled to an extra annual leave day for each five years of service with the company.

REGULATORY OVERVIEW

Labor Discipline

Internal Labor Rules. An employer employing 10 or more employees shall have written internal labor rules. The internal labor regulations must be registered with the local labor authority at the provincial level. The internal labor rules govern matters such as working time, resting time, order in workplace, labor safety and hygiene, prevention of sexual harassment in the workplace and procedures for dealing with a breach involving an act of sexual harassment in the workplace, protection of employer’s properties, trade secrets, technology secrets and intellectual properties, cases in which an employee may be temporarily transferred to undertake work different from that specified in their labor contract, disciplinary procedures and penalties, material liability and the person having authority to impose disciplinary penalties.

Labor discipline. Employees who violate the internal labor rules, subject to the nature and seriousness of the breach, may be subject to disciplinary sanctions, including reprimand, deferment of salary increase for up to six months, demotion, and dismissal.

Compensation. Employees may be required to compensate their employer for losses caused by them.

Labor Safety (Production Safety) and Hygiene

Production/Labor safety and hygiene in Vietnam is primarily governed by the Law on Occupational Safety and Hygiene No. 84/2015/QH13, adopted by the National Assembly of Vietnam on June 25, 2015, as amended, and its implementing regulations. Employers and employees are subject to various requirements on labor safety and hygiene at the workplace, such as periodically testing machinery, equipment, and materials with strict requirements on labor safety; securing personal protective facilities for employees; training classes on labor safety and hygiene; and periodic health checks. Certain industries and manufacturing sectors are also subject to additional, sector-specific technical standards and inspection requirements. Violations of production safety regulations may result in administrative penalties, suspension of operations, or, in serious cases, criminal liability.

Foreign Employees

Foreigners who work in Vietnam are required to obtain a work permit or a confirmation from the local labor department that he/she is exempt from work permits. A work permit will be issued for the same duration as the term of the labor contract but not exceeding two years.

Statutory Insurance

Employers and employees shall contribute compulsory social insurance, health insurance, employment accident insurance, and unemployment insurance on a monthly basis to the social insurance fund. The contribution is calculated based on salary at the following mandatory rates.

	Social Insurance	Health Insurance	Employment accident insurance	Unemployment Insurance	Total
Employer	17.0%	3%	0.5%	1%	21.5%
Employee	8%	1.5%	0	1%	10.5%

REGULATORY OVERVIEW

Employee Representative Organization at the grassroots level

Employers are prohibited from obstructing or creating difficulties for employees in carrying out lawful activities to establish, join, or participate in an employee representative organization at the grassroots level (including a trade union) at the workplace. An employee representative organization at the grassroots level (including a trade union) is an organization established voluntarily by employees at an employing unit, with the purpose of protecting the lawful and legitimate rights and interests of employees in labor relations through collective bargaining or other forms in accordance with labor law.

Regulations on Taxation

Corporate income tax

Enterprises established under the laws of Vietnam are subject to corporate income tax.

The standard corporate income tax rate is 20% up to the 2024 tax year. Starting from the 2025 tax year, corporate income tax rates will vary based on annual revenue thresholds. Corporate income tax rates of 15% and 17% will apply to businesses with annual revenue of VND 50 billion or less in the preceding tax year, while a 20% tax rate will apply to businesses with annual revenue above VND 50 billion. However, preferential tax rates, tax exemptions or tax reductions may be available to eligible projects in certain industries (e.g. manufacturing of high quality steel, energy saving products; manufacturing of machineries, equipment to be used in agriculture, forestry, fishery, salt production; manufacturing of animal, poultry and aquatic feeds; and development of traditional crafts) or locations (i.e. poor and remote areas) that are encouraged by the government.

Value-added tax

Organizations and individuals who produce and trade in taxable goods and services in Vietnam or who import taxable goods and services from overseas are liable to pay value-added tax.

Zero rate applies to goods and services such as exported goods and services and international transportation services. Reduced rate of 5% applies to the supply of essential goods and services such as clean water, fertilizer production, medicine and medical equipment, various agricultural products and services, teaching tools and products, and social housing. Standard rate of 10% applies to goods and services (reduced rate of 8% currently applicable for certain items until 31 December 2026), except for those specifically named items which are subject to 0% or 5% tax rates.

Withholding tax

Withholding tax applies to certain payments to foreign parties, such as interest, service fees, and leases. This comprises a combination of corporate income tax and value-added tax at varying rates. For example:

REGULATORY OVERVIEW

	Value-added tax rate	Corporate income tax rate
General services	5%	5%
Construction, installation without the supply of materials, machinery or equipment	5%	2%
Construction, installation, with the supply of materials, machinery or equipment.	3%	2%
Leasing of machinery and equipment.	5%	5%
Interest on foreign borrowings.	Exempted	5%

Business license tax

Business license tax is payable by enterprises established under the laws of Vietnam on an annual basis. The rate depends on the registered charter capital, with a maximum amount currently set at VND3 million.

Dividends and distributions

All dividends payable to the foreign investor of a foreign-owned enterprise will not be subject to withholding or other taxes under the laws and regulations of Vietnam.

In general, the foreign corporate shareholder of the foreign-owned enterprise may distribute and repatriate profits if it has fulfilled its financial obligations owed to the government of Vietnam.

Foreign investors are permitted to buy foreign currency via bank transfer in order to remit profits and other lawful proceeds in Vietnamese Dong overseas.

Regulations on Foreign Exchange Control

With respect capital contribution, Under Vietnamese law, a FIC is required to open a “direct investment capital account” (“**DICA**”) in a foreign currency or VND at a commercial bank or a branch of a foreign bank duly licensed to operate in Vietnam (“**Permitted Bank**”) to implement transactions relating to foreign direct investment. The FIC can only open 1 (one) DICA for each type of currency, corresponding to the currency used for making the capital contribution. Several transactions must be routed via DICA, notably: (i) contribution of capital in cash (i.e., bank transfers) made by foreign investors to the charter capital of FIC; (ii) payments for the FIC’s capital transfer transactions between a resident investor and a non-resident investor, which must be made in VND and routed via the DICA in VND; (iii) drawdown and repayment of medium/long-term foreign loans borrowed by the FIC, and (iv) profit repatriation to foreign investors.

With respect to payments, in general, Ordinance No. 28/2005/PL-UBTVQH11 on foreign exchange (as amended) enshrines the principle of liberalization of “current transactions” (in Vietnamese: “giao dch vãng lai”) (i.e., not for the purpose of remittance of capital such as the contribution of the charter capital of the FIC as mentioned above) between residents and non-residents. All current transactions related to payments and remittance of money connected to exports, imports, short-term loans from banks, net income from direct and indirect investment, interest and repayments on foreign loans, and import or export of goods or services, may be conducted freely. However, in the territory of Vietnam, all transactions, payments, displays of prices, advertisements, quotations, pricing, and price writing in contracts and agreements and other similar forms (including conversion or adjustment of prices of goods or services, value of contracts or agreements) must not be conducted in any foreign currency except for limited cases provided by the law.

REGULATORY OVERVIEW

Offshore loan (without any guarantee from the Government)

An FIC may borrow foreign loans, subject to the satisfaction of certain conditions provided by the law on (i) loan purpose, (ii) loan term, (iii) loan registration, (iv) borrowing restriction, (v) loan currency, and (vi) loan drawdown and repayment. Apart from offshore debt refinancing purpose, a FIC may borrow (i) offshore short-term loans to discharge the FIC’s short-term payables according to corporate accounting rules (other than the outstanding principal of onshore loans) arising in its implementation of investment projects, production or business plans or other projects; or (ii) medium/long-term offshore loans to implement the FIC’s investment projects and/or carry out its production or business plans or other projects. Foreign loans must be registered with the State Bank of Vietnam (“**SBV**”) if it is a medium-term or long-term (more than one year term) foreign loans and be drawn down and repaid via the designated DICA or a specialized foreign loan bank account of the FIC.

Regulations on Compulsory Insurances

Under the Law on Social Insurance No. 41/2024/QH15 adopted by the National Assembly of Vietnam on June 29, 2024, the Law on Health Insurance No. 25/2008/QH12 adopted by the National Assembly of Vietnam on November 14, 2008 (as amended), the Law on Employment No. 38/2013/QH13 adopted by the National Assembly of Vietnam on November 16, 2013 (as amended) and the Law on Labor Safety and Hygiene No. 84/2015/QH13 adopted by the National Assembly of Vietnam on June 25, 2015 (as amended), employees and employers are required to make contributions to the compulsory insurance schemes which include social, health, occupational accidents and diseases and unemployment insurances in Vietnam in favor of Vietnamese employees (and certain categories of foreign employees). The contributions are calculated based on the employee’s wage or salary specified under the labor contract and made by both employee and employer in a specific percentage set forth by law.