During the Track Record Period, our business and operations are principally based in the PRC and Hong Kong. We are subject to a variety of laws and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities in the PRC and Hong Kong.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

Laws and Regulations Relating to Company and Foreign Investment

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 "**Company Law**") , which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on 29 December 1993, last amended on 29 December 2023 and took effect on 1 July 2024. The Company Law generally governs two types of companies, namely limited liability companies and joint stock companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock company is limited to the amount of registered capital they have contributed. The Company Law shall also apply to foreign invested companies in the form of a limited liability company or a joint stock company.

Foreign invested entities in the PRC are also subject to the foreign investment laws and regulations, including *the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which was promulgated by the National People's Congress (the "**NPC**") and became effective on 1 January 2020, and *the Implementing Regulations for the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on 26 December 2019 and became effective on 1 January 2020. According to the Foreign Investment Law, the PRC adopts a pre-establishment national treatment and negative list management system for foreign investment.

On 6 September 2024, the NDRC and the MOFCOM jointly issued *the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which came into effect on 1 November 2024. The Negative List uniformly sets forth the ownership requirements, requirements for senior management, and other special administrative measures for the access of foreign investment. Fields not on the Negative List shall be administered under the principle of equal treatment for both domestic and foreign investment. On 15 December 2025, the MOFCOM and the NDRC promulgated *the Catalogue of Encouraged Industries for Foreign Investment (Edition 2025)* (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraged Catalogue**"), which came into effect on 1 February 2026. The Encouraged Catalogue lists the industries that encourage foreign investment. As at the Latest Practicable Date, our business does not fall within the scope of the Negative List and the Encouraged Catalogue.

Pursuant to *the Measures on Reporting of Foreign Investment Information* (《外商投資信息報告辦法》), jointly promulgated by the MOFCOM and the State Administration for Market Regulation (the "**SAMR**") on 30 December 2019 and effective 1 January 2020, if any foreign investor directly or indirectly carries out investment activities in the PRC, the foreign investor or the foreign-invested enterprise shall submit the investment information in a timely manner to the competent commerce department.

Laws and Regulations Relating to Customs

According to *the Customs Law of the PRC* (《中華人民共和國海關法》) promulgated by the SCNPC on 22 January 1987, last amended and implemented on 29 April 2021, unless otherwise provided for, the declaration of imported or exported goods may be made by the consignors or consignees, or the entrusted customs declaration enterprises. The consignee of imported goods and the consignor of exported goods shall make an accurate declaration and submit the import or export license and relevant papers to the Customs office for examination.

Pursuant to *the Administrative Provisions of the Customs of the PRC on Record-filing of Customs Declaration Entities* (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs (the "**GAC**") on 19 November 2021 and effective from 1 January 2022, the consignees or consignors of imported or exported goods as well as the customs declaration enterprises engaged in customs declaration shall carry out the record-filing procedures with the relevant customs administrative department.

Pursuant to *the Export Control Law of the PRC* (《中華人民共和國出口管制法》) issued by SCNPC on 17 October 2020, no organization or individual may provide exporters with services such as agency, freight, delivery, customs declaration, third-party e-commerce transaction platforms and finance services, that are engaged in illegal acts related to export control. Where any party is aware that an exporter engages in illegal acts concerning export control but still provides it with the aforementioned services, it shall be given a warning, ordered to stop the illegal acts, its illegal gains shall be confiscated, and a fine of not less than three times but not more than five times the illegal turnover shall be imposed on it concurrently if its illegal turnover is more than RMB100,000, or a fine of not less than RMB100,000 but not more than RMB500,000 shall be imposed on it concurrently if there is no illegal turnover or the illegal turnover is less than RMB100,000.

Laws and Regulations Relating to Road Transportation

Pursuant to *the Road Transport Regulation of the PRC* (《中華人民共和國道路運輸條例》) promulgated on 30 April 2004 and last amended on 20 July 2023 by the State Council, and *the Provisions on the Administration of Road Freight Transport and Stations (Sites)* (《道路貨物運輸及站場管理規定》) issued by the Ministry of Transport on 16 June 2005 and last amended on 10 November 2023, individuals and institutions are required to obtain a Road Transport Business License issued by the local transportation authority to conduct road transportation business, and each vehicle used for road transportation must have a Road Transportation Permit from the same authority. Those who use ordinary freight vehicles with a total mass of 4,500 kg or less to engage in ordinary freight operations do not need to apply for a Road Transport Business License and a Road Transportation Permit. The latest revision of The Provisions on the Administration of Road Freight Transport and Stations (Sites), promulgated by the Ministry of Transport on 6 February 2026, shall come into force on 20 March 2026.

Laws and Regulations Relating to International Freight Forwarding

Pursuant to *the Regulations of the PRC on Management of International Freight Forwarders* (《中華人民共和國國際貨物運輸代理業管理規定》) promulgated and implemented by the Ministry of Foreign Trade & Economic Cooperation (the former entity of the MOFCOM) on 29 June 1995, and *the Detailed Rules for Implementation of Regulations of the PRC on the Administration of International Freight Forwarding Industry* (《中華人民共和國國際貨物運輸代理業管理規定實施細則》) promulgated by the MOFCOM on 1 January 2004, the international freight forwarding operations of an international freight forwarder as an agent refer to the activities whereby, entrusted by the consignee or consignor of import and export cargo or their agents, it handles related operations in the name of its clients or its own, and collects agent fees or commissions. International freight forwarders shall possess the enterprise legal person qualification of the PRC according to law.

Pursuant to *the Measures (Provisional) on Filings by International Freight Forwarding Agencies* (《國際貨運代理企業備案(暫行)辦法》) promulgated on 2 March 2005 and last amended on 18 August 2016, all international freight forwarders and their branches registered with the SAMR must be filed with the MOFCOM or its authorized organs.

Laws and Regulations Relating to Foreign Exchange

According to *the Foreign Exchange Control Regulations of the PRC* (《中華人民共和國外匯管理條例》) promulgated by the State Council on 29 January 1996, last amended and implemented on 5 August 2008, RMB is freely convertible into other currencies for current accounts such as trade-related income and expenses and payments of interest and dividends. While for capital items such as direct equity investment, loan and divestment, the conversion of RMB into other currencies and the remittance of the converted foreign currencies outside the PRC shall be subject to prior approval of the SAFE or its local branches.

Pursuant to *the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment* (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on 13 February 2015, implemented on 1 June 2015 and partially abolished on 30 December 2019, banks shall, on behalf of the SAFE, directly examine and handle foreign exchange registration under domestic direct investment and overseas direct investment, and SAFE and its branches shall exercise indirect supervision over foreign exchange registration of direct investment through banks.

The Notice 19 allows foreign-invested enterprises to make equity investments by using RMB funds converted from foreign exchange capital. Under the Notice 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments. Furthermore, the Notice 19 and *the Notice 16* stipulates that foreign-invested enterprises shall not use the RMB funds obtained from foreign exchange capital for payment outside of the business scope of the enterprises, investment in securities or financial schemes other than wealth management products and structured deposits with risk rating results not higher than Level 2, granting loans to unrelated enterprises or constructing or purchasing real estate that is not for self-use.

The Notice of the SAFE on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was issued by the SAFE on 23 October 2019, last amended and implemented on 4 December 2023, cancelled restrictions on the domestic equity investment by non-investment foreign-invested enterprises with their capital funds. The non-investment foreign-invested enterprises shall be allowed to use capital funds for domestic equity investment in accordance with the laws under the premise of not violating the Negative List and the authenticity and compliance of their domestic invested projects.

According to *the Notice of the 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》) issued by the SAFE on 10 April 2020, eligible enterprises are allowed to make domestic payments by using their income under capital accounts, such as capital funds, foreign debts and the proceeds from overseas listing, without submitting the evidentiary materials concerning authenticity of such capital to banks in advance; provided that their capital use is authentic and in line with provisions, and in compliance with the prevailing administrative regulations on the use of income under capital accounts. The bank in charge shall conduct spot checks in accordance with the relevant requirements.

According to the *Guidelines for Current Account Foreign Exchange Business (2020 Edition)* (《經常項目外匯業務指引(2020年版)》) issued by the SAFE on 28 August, 2020, enterprises shall handle foreign exchange payments for goods trade in accordance with the principle of "Importers settle in foreign currency" ("誰進口誰付匯"), except as otherwise specified in foreign exchange administration regulations.

According to the *Notice of the State Administration of Foreign Exchange on Further Promoting the Foreign Exchange Market to Serve the Real Economy* (《國家外匯管理局關於進一步促進外匯市場服務實體經濟有關措施的通知》) issued by the SAFE on 12 May 2022, in order to further advance the development of the foreign exchange market and better serve market entities in managing foreign exchange risks, the SAFE supports expanding the scope of cooperative RMB foreign exchange derivatives business. Qualified banks may provide their cooperating banks with RMB foreign exchange cooperative derivatives services, including cooperative forward foreign exchange settlement and sale, cooperative foreign exchange swaps, and cooperative currency swaps. Cooperating banks that meet the relevant requirements may conduct cooperative RMB foreign exchange derivatives business in accordance with regulations.

According to the *Measures for the Administration of Banks' Foreign Exchange Settlement and Sale Business* (《銀行辦理結售匯業務管理辦法》) issued by the PBOC on 22 June 2014, upon approval by the SAFE, banks may conduct foreign exchange settlement and sale business, which includes spot foreign exchange settlement and sale business and RMB foreign exchange derivative products business. RMB foreign exchange derivative products business refers to forward foreign exchange settlement and sale, RMB foreign exchange futures, RMB foreign exchange swaps, RMB foreign exchange options and other such businesses as well as their combinations.

According to the *Implementation Rules for the Measures for the Administration of Banks' Foreign Exchange Settlement and Sale Business* (《銀行辦理結售匯業務管理辦法實施細則》) issued by the SAFE on 25 December 2014 and implemented on 1 January 2015, banks shall adhere to the principle of genuine need when conducting derivative products business with clients. Clients engaging in derivative products business must have a real need to hedge foreign exchange risk exposures, and the foreign exchange assets and liabilities they hold as the transaction basis, as well as their expected future foreign exchange receipts and payments, shall be eligible for spot foreign exchange settlement and sale business in accordance with foreign exchange administration regulations.

Laws and Regulations Relating to Property

According to *the Civil Code of the PRC* (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the NPC on 28 May 2020, which became effective on 1 January 2021, the creation, change, transfer and cancellation of real estate rights shall be registered in accordance with the law. The creation and transfer of movable property rights shall be delivered in accordance with the law. Owners shall have the rights to possess, use, benefit from and dispose of their real estate or movable properties in accordance with the law.

Pursuant to *the Administrative Measures on Leasing of Commodity Housing* (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (the "**MOHURD**") on 1 December 2010 and implemented on 1 February 2011, parties to house leasing shall register with the property administrative department at which the property is situated within 30 days after entering into the property leasing contract. In case of violation, the property administrative department shall order the party to rectify the breach within a specified period and may impose a fine of RMB1,000 to RMB10,000 if the rectification is not completed in time.

According to the Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Additionally, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

According to *the Interpretation of Supreme People's Court on Several Issues Concerning the Specific Application of Law in the Trial of Cases Involving Disputes over Contracts for Lease of Urban Houses* (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋》), which took effect on 1 January 2021, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realization of the mortgage right.

Laws and Regulations Relating to Fire Security

Pursuant to *the Fire Control Law of the PRC* (《中華人民共和國消防法》) promulgated by the SCNPC on 29 April 1998, last amended and implemented on 29 April 2021, for special construction projects stipulated by the MOHURD, the construction entity shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those special construction projects, the construction entity shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. 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 on 1 April 2020 and amended on 21 August 2023, an examination system for fire prevention design and acceptance applies only to special construction projects, and for other projects, a record-filing and spot-check system applies.

According to *the Administrative Measures for the Administration of Fire Safety in Leased Factory Buildings and Warehouses (for Trial Implementation)* (《租賃廠房和倉庫消防安全管理辦法(試行)》) promulgated on 14 July 2023 by the National Fire and Rescue Administration and taking effect on the same day, the lessor, lessee and property service enterprise of a leased factory building or warehouse shall fulfil their relevant fire safety duties and strengthen fire safety management. In addition, the leased factory buildings and warehouses shall comply with the fire safety requirements, and the nature and functions of the use of the factory buildings and warehouses shall not be changed in violation of the provisions.

Laws and Regulations Relating to Intellectual Property Rights

Trademarks

Pursuant to *the Trademark Law of the PRC* (《中華人民共和國商標法》) promulgated on 23 August 1982, last amended on 23 April 2019 and implemented on 1 November 2019 by the SCNPC, and *the Implementing Regulations for the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) promulgated on 3 August 2002, last amended on 29 April 2014 and implemented on 1 May 2014 by the State Council, registered trademarks in the PRC include commodity trademarks, service trademarks, collective trademarks and certification trademarks. The Trademark Office of China National Intellectual Property Administration handles trademark registrations and grants a term of ten years to registered trademarks, and another ten years if requested upon expiration of the first or any renewed ten-year term.

Domain Names

Pursuant to *the Administrative Measures on Internet Domain Names* (《互聯網域名管理辦法》) promulgated on 24 August 2017 and implemented on 1 November 2017 by the Ministry of Industry and Information Technology (the "**MIIT**"), the MIIT is the major regulatory body for national domain name services. The principle of "first-to-file" is adopted for domain name services. The applicant for domain name registration shall provide the domain name registration service organisations with true, accurate and complete domain name registration information of the domain name holder such as the identity information, and sign the registration agreement. Upon completion of the domain name registration, the applicant becomes the holder of the registered domain name.

Copyright

Pursuant to *the Copyright Law of the PRC* (《中華人民共和國著作權法》) (the "**Copyright Law**"), promulgated by the SCNPC on 11 November 2020 and effective as at 1 June 2021, as well as *the Implementing Regulations for the Copyright Law of the PRC* (《中華人民共和國著作權法實施條例》) promulgated by the State Council on 30 January 2013 and effective as at 1 March 2013, Chinese citizens, legal persons, or organizations without legal personality enjoy copyright over their works, whether published or not. For the purpose of the Copyright Law, works shall refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, such as written works, oral works, audio-visual works and computer software. The copyright holder enjoys multiple rights, including the right of publication, the right of authorship and the right of reproduction. In addition, the Copyright Protection Center of China (the "**CPCC**") administers a voluntary registration system and issues a work registration certificate upon successful registration.

Computer Software Copyright

Pursuant to *the Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated on 4 June 1991 by the State Council and last amended on 30 January 2013 and *the Measures for Registration of Computer Software Copyright* (《計算機軟件著作權登記辦法》) promulgated on 6 April 1992 and last amended by the National Copyright Administration of China (the "**NCAC**") on 1 July 2004, the NCAC is mainly responsible for the registration and management of software copyright in the PRC and recognizes the CPCC as the software registration organization. The CPCC shall grant certificates of registration to computer software copyright applicants in compliance with *the Regulations on the Protection of Computer Software* and *the Measures for Registration of Computer Software Copyright*.

Laws and Regulations Relating to Tax

EIT

Pursuant to the EIT Law promulgated by the SCNPC on 16 March 2007 and last amended and implemented on 29 December 2018, and *the Implementing Regulations for the EIT 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 6 December 2007 and last amended on 6 December 2024, an enterprise lawfully incorporated in the PRC, or an enterprise lawfully incorporated pursuant to the laws of a foreign country or region outside Mainland China but whose actual management functions are conducted in the PRC, shall be regarded as a resident enterprise. A resident enterprise shall be subject to EIT at a rate of 25% on any income generated within or outside the PRC.

Pursuant to *the Notice of the MOF and the STA on Continued EIT Preferential Policies for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* (《財政部税務總局關於延續深圳前海深港現代服務業合作區企業所得税優惠政策的通知》), which was jointly issued by the MOF and the STA on 27 May 2021, if a company conducts its main business in industrial projects specified in *the Catalogue of EIT Preferential Policies for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Edition 2021)* (《前海深港現代服務業合作區企業所得税優惠目錄(2021版)》), and the main business generates over 60% of its total amount of incomes, the company is entitled to a preferential EIT rate of 15%. Our PRC subsidiaries, namely, Shenzhen HFY Supply Chain, Shenzhen HFY E-commerce and Shenzhen HFY Smart Supply Chain, qualify for this tax preferential treatment. Pursuant to the Notice on Continuing the Implementation of the EIT Preferential Policies for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (《關於延續實施前海深港現代服務業合作區企業所得税優惠政策的通知》), jointly issued by the MOF and the STA on 19 January 2026, the term of the aforesaid preferential EIT policy was extended to 31 December 2027.

VAT

Pursuant to the VAT Law of the PRC (《中華人民共和國增值稅法》), promulgated by the SCNPC on 25 December 2024 and effective from 1 January 2026, taxpayers that sell goods, provide processing, repair and replacement services, provide leasing services of tangible movable property, or import goods are generally subject to VAT at a rate of 13%; taxpayers that sell transport services, postal services, basic telecommunications services, construction services, or real property leasing services, sell real property, transfer land use rights, or sell or import the goods listed below are generally subject to VAT at a rate of 9%; taxpayers that sell services or intangible assets are generally subject to VAT at a rate of 6%; and taxpayers that export goods are generally subject to a zero rate of VAT.

Dividend Withholding Tax

The EIT Law and the Implementing Regulations for the EIT Law of the PRC provides that since 1 January 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such an 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.

Pursuant to *the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income* (《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 "**Double Tax Avoidance Arrangement**"), the withholding tax rate in respect of the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise.

However, according to *the Notice of the STA on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties* (《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》) issued by the STA on 20 February 2009, if the relevant PRC tax authorities determine, at their discretion, that a company benefits from the reduced income tax rate due to a structure or arrangement primarily driven by tax considerations, such PRC tax authorities may adjust the preferential tax treatment. *The Announcement of the STA on Issues Relating to "Beneficial Owner" in Tax Treaties* (《國家稅務總局關於稅收協定中「受益所有人」有關問題的公告》), issued by the STA on 3 February 2018, and effective as at 1 April 2018, outlines factors that support or hinder the determination of an applicant's status as a "beneficial owner." Applicants not recognized as beneficial owners will not qualify for the aforementioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

Transfer Pricing

According to *the Announcement of the STA on Matters Relating Improved Administration of Related Party Declarations and Contemporaneous Documentation* (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》) promulgated on 29 June 2016, and *the Administrative Measures on Special Tax Investigation Adjustment and Mutual Agreement Procedure* (《特別納稅調查調整及相互協商程序管理辦法》) implemented on 1 May 2017 and was partially invalid on 15 June 2018, related-party transactions should comply with the arm's length principle and if the related-party transactions fail to comply with the arm's length principle resulting in the reduction of the enterprise's taxable income, the relevant tax authorities have power to make adjustments. When implementing transfer pricing investigation, the relevant tax authorities shall conduct comparability analysis and select a reasonable transfer pricing method for the analysis of the related-party transactions. The transfer pricing methods include the comparable uncontrolled price method, the resale price method, the cost-plus method, the net profit method, the profit split method and other methods in line with the arm's length principle. In addition, enterprises whose related-party transactions meet the reporting criteria shall prepare transfer pricing documentation for each tax year and, where required, submit it to the relevant tax authorities. Transfer pricing documentation includes the master file, local file, and special issue file, each of which is applied to different circumstances in relation to the related-party transactions of the PRC company.

Tariff

Pursuant to *the Tariff Law of the PRC* (《中華人民共和國關稅法》) (the "**Tariff Law**"), which was issued by the SCNPC on 26 April 2024 and which became effective on 1 December 2024, customs duties shall be imposed by the relevant customs administrative department on goods approved for import and export, as well as articles entering the territory, in accordance with the Tariff Law and relevant laws and administrative regulations. The consignee of imported goods, the consignor of exported goods, and the carrier or recipient of articles entering the territory are the taxpayers of customs duties. E-commerce platform operators involved in cross-border e-commerce retail imports, logistics enterprises, and customs declaration enterprises, along with entities and individuals required to withhold or collect and remit customs duties as prescribed by laws and administrative regulations, are designated as withholding agents for customs duties. The tariff classification, tariff rates, and rules governing the application of tariff classification and tariff rates for import and export goods shall be enforced in accordance with *the Customs Import and Export Tariff of the PRC (2025)* (《中華人民共和國進出口稅則(2025)》), which was issued by the Customs Tariff Commission of the State Council on 30 December 2024 and which became effective on 1 January 2025.

Laws and Regulations Relating to Employment and Social Security

Labour Contract

Pursuant to *the Labour Law of the PRC* (《中華人民共和國勞動法》) promulgated by the SCNPC on 5 July 1994 and last amended and implemented on 29 December 2018, *the Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, last amended on 28 December 2012 and implemented on 1 July 2013 and *the Implementing Regulations for the Labour Contract Law of the PRC* (《中華人民共和國勞動合同法實施條例》) promulgated and implemented by the State Council on 18 September 2008, an employer shall establish and improve labour rules and regulations according to the laws, shall strictly comply with the national standards, shall provide relevant training to its employees, shall protect their labour rights, and shall perform its labour obligations. If an employer establishes a labour relationship with an employee, labour contracts shall be categorised into fixed-term labour contracts, unfixed-term labour contracts and labour contracts for the completion of certain work assignments. The wages payable by an employer to its employees shall not be less than the local minimum wage. In addition, an employer must establish and improve the labour safety and health system, stringently implement national protocols and standards on labour safety and health, conduct labour safety and health education for employees, so as to prevent accidents in the labour process and reduce occupational hazards.

Social Insurance and Housing Provident Fund

Pursuant 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 28 October 2010 and last amended and implemented on 29 December 2018, *the Provisional Regulations for the Collection and Payment of Social Insurance Premiums* (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and last amended and implemented on 24 March 2019, *the Regulations on the Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999 and last amended and implemented on 24 March 2019 and other applicable PRC laws and regulations relating to social insurance, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to housing provident funds, in full and in a timely manner. These payments are made to local administrative authorities, and any employer who fails to contribute may be fined and/or ordered to pay the deficit amount within a stipulated time limit.

Pursuant to the *Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II)* (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 31 July 2025 and entering into force on 1 September 2025, any agreement between an employer and an employee or any undertaking made by an employee to the employer that social insurance contributions need not be paid shall be deemed invalid by the people's court. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee requests the termination of the labor contract and claims economic compensation from the employer pursuant to the provisions of the Labor Contract Law, the people's court shall uphold such claim in accordance with the law.

Laws and Regulations Relating to Overseas Listing

The CSRC promulgated the Trial Measures and five related guidelines on 17 February 2023, which came into effect on 31 March 2023. The Trial Measures introduces a new filing regime which requires PRC domestic companies to register their direct and indirect overseas listings and securities offerings with the CSRC by filing materials on key compliance issues. The Trial Measures provides that overseas listing and offering are explicitly prohibited if any of the following applies: (i) such securities offering and listing are explicitly prohibited by specific laws and regulations; (ii) the proposed securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council; (iii) the domestic company or its controlling shareholder(s) and the actual controller have committed crimes including corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy in the past three years; (iv) the domestic company is currently under investigation for suspicion of criminal offenses or major violations of laws and regulations which have not reached a definitive conclusion; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. As advised by our PRC Advisor, we do not fall within any of the aforementioned situations which would prohibit us from [**REDACTED**] overseas.

Our PRC Legal Adviser is of the view that there are no circumstances under the Trial Measures and its related guidelines that would prohibit our Company from making an overseas [**REDACTED**] and [**REDACTED**] based on the following grounds: (i) no circumstances in connection with our [**REDACTED**] and [**REDACTED**] fall within the prohibitions on listing and financing as stipulated in *the Guidelines for 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》); (ii) as of the Latest Practicable Date, our domestic operating entities have not received any notice or decision from the competent authorities under the State Council determining, upon lawful review, that the [**REDACTED**] and [**REDACTED**] of our Company may endanger national security, and there has been no circumstance in which any governmental authority has determined that the [**REDACTED**] and [**REDACTED**] may endanger national security and therefore cannot proceed; (iii) based on the compliance certification documents of our domestic operating entities, the no-criminal-record certificates of the actual controllers, as well as publicly available information, neither our domestic operating entities nor the actual controllers, Mr. Fung, Ms. Yeung and Ms. Fung, have committed any crime such as corruption, bribery, embezzlement, misappropriation of property or acts undermining the order of the socialist market economy in the past three years; (iv) as of the Latest Practicable Date, our domestic operating entities are not suspected of committing crimes or major violations of laws and regulations, and are not under investigation according to law, and no conclusion has yet been made thereof; and (v) our Legal adviser as to Cayman Islands laws has confirmed that, as of the Latest Practicable Date, there are no pledges, freezes, litigation, arbitration, or other disputes over the shares of our Company held by the Controlling Shareholders.

The CSRC and other three relevant government authorities jointly promulgated *the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities 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 "**Provision on Confidentiality**") on 24 February 2023, and came into effect on 31 March 2023. Pursuant to the Provision on Confidentiality, when a domestic company provides or publicly discloses the documents and materials involving state secrets and working secrets of state organs to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such documents and materials through its overseas listing entity or other entities, it shall report to the competent department with the examination and approval authority for approval, and file with the secrecy administration department of the same level. Domestic companies providing accounting archives or copies thereof to entities and individuals such as securities companies, securities service institutions and overseas regulatory authorities shall perform the relevant procedures according to relevant regulations. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide related services for the overseas offering and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transfer of such working papers shall undergo the examination and approval formalities in accordance with the relevant regulations.

Our Company has established *the Measures for Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities* (《境外發行證券和上市相關保密及檔案管理制度》) (the "**Confidentiality and Archives System**"). Our PRC Legal Adviser is of the view that, for the following reasons, the Confidentiality and Archives System complies with the Provision on Confidentiality and has been properly implemented: (i) pursuant to the Provision on Confidentiality, our Company and Shenzhen Union Honest have formulated and approved the Confidentiality and Archives System, which applies to our Company and all of our domestic operating entities, and our Company has sent to the Sole Sponsor and other relevant parties *the Statement on Compliance with the Measures for Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities* (《關於遵守<境外發行證券和上市相關保密和檔案管理制度>的説明》); and (ii) prior to providing any documents or materials to the Sole Sponsor and other relevant parties, overseas regulatory authorities, or other organizations or individuals, our domestic operating entities have, in accordance with the Confidentiality and Archives System, conducted an item-by-item review to determine whether such documents or materials contain any state secrets, work secrets of state organs, or other information the disclosure of which could adversely affect national security or the public interest; only after confirming that the relevant documents or materials do not contain any such information will they be provided to the Sole Sponsor and other relevant parties, overseas regulatory authorities, or other organizations or individuals.

Regulations on Cybersecurity and Data Protection

On 10 June 2021, the SCNPC promulgated *the Data Security Law of the PRC* (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which became effective on 1 September 2021. The Data Security Law establishes the regulatory framework and outlines the responsibilities of the relevant administrative authorities in regulating data security. It provides that the Central Leadership Body of State Security is responsible for the decision-making, deliberation and coordination of the national data security work, research and formulate and guide the implementation of the national data security strategy and relevant major guidelines and policies, coordinate major matters and important work in respect of national data security, and establish a coordination mechanism for national data security work.

On 7 November 2016, the SCNPC promulgated *the Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which was most recently amended on 28 October 2025 and came into effect on 1 January 2026. According to the Cybersecurity Law, network operators are required to fulfill their obligations to safeguard network security when conducting business and providing services. Service providers operating through networks must implement technical and other necessary measures in accordance with laws, regulations, and compulsory national standards to ensure the safe and stable operation of networks, effectively respond to network security incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators are prohibited from collecting personal information irrelevant to the services they provide, or from collecting or using personal information in violation of the provisions of laws or agreements with users. Additionally, network operators of critical information infrastructure shall store within the PRC all personal information and important data collected and produced within the PRC. The purchase of network products and services by the network operators of critical information infrastructure that may affect national security shall be subject to national Cybersecurity review.

According to the Civil Code, the personal information of natural persons is protected by law. Any organisation or individual that needs to obtain personal information from others shall do so legally, ensure information security, and shall not illegally collect, use, process, transmit, trade, provide or disclose personal information. *The Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》) (the "**the Personal Information Protection Law**"), which was promulgated by the SCNPC on 20 August 2021, and became effective on 1 November 2021, further emphasises the duties and responsibilities of the data processors in protecting personal information, and provides stricter protection measures for processing sensitive personal information.

According to *the Security Protection Regulations for Critical Information Infrastructure* (《關鍵信息基礎設施安全保護條例》), which was promulgated by the State Council on 30 July 2021, and became effective on 1 September 2021, "critical information infrastructure" refers to the important network facilities and information systems in important industries and fields such as public telecommunications, information services, energy, transportation, water conservancy, finance, public services, e-government and national defense science, technology and industry, as well as other important network facilities and information systems which, in case of destruction, loss of function or leak of data, may result in serious damage to national security, the national economy and the people's livelihood and public interests. *The Security Protection Regulations for Critical Information Infrastructure* supplements and specifies the provisions on the security of critical information infrastructure as stated in the Cybersecurity Law, and provides that the competent administrative authorities and supervision and management authorities of the aforementioned important industries are responsible for (1) organising the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (2) promptly notifying the identified operators and the Ministry of Public Security of the PRC of the identification results. *The Security Protection Regulations for Critical Information Infrastructure* requires that the relevant operators shall submit a report to the competent PRC administrative authority in accordance with relevant provisions upon the occurrence of any major cybersecurity incident or the discovery of any major cybersecurity threat to the critical information infrastructure. Additionally, operators of critical information infrastructure are required to prioritize the purchase of safe and trusted network products and services. If the purchase of such network products and services may affect national security, such operators shall undergo and pass the cybersecurity review accordingly.

On 28 December 2021, the Cyberspace Administration of China (the "**CAC**"), jointly with 12 other administrative authorities, promulgated *the Cybersecurity Review Measures* (《網絡安全審查辦法》), which became effective on 15 February 2022. According to *the Cybersecurity Review Measures*, the purchase of network products and services by critical information infrastructure operators and the data processing activities carried out by network platform operators, which affect or may affect national security, are subject to cybersecurity review. In addition, network platform operators possessing personal information of over one (1) million users shall be subject to cybersecurity review before listing abroad.

On 7 July 2022, the CAC promulgated *the Security Assessment Measures for Data Provision Abroad* (《數據出境安全評估辦法》), which became effective on 1 September 2022. *The Security Assessment Measures for Data Provision Abroad* provides that, data processors who transfer data abroad shall apply to the CAC for a security assessment if certain thresholds are met. In addition, on 24 February 2023, *the Measures on the Standard Contract for Outbound Transfer of Personal Information* (《個人信息出境標準合同辦法》) was promulgated by the CAC, which became effective on 1 June 2023. *The Measures on the Standard Contract for Outbound Transfer of Personal Information* includes a standard contract template for the outbound transfer of personal information. This template can be used to satisfy the requirements of the Personal Information Protection Law regarding the conclusion of contracts under the standard contract formulated by the CAC between personal information processors and overseas recipients. On 22 March 2024, the CAC promulgated *the Provisions on Promoting and Regulating Cross-border Data Flow* (《促進和規範數據跨境流動規定》) (the "**Provisions on Data Flow**"), which became effective on 22 March 2024. The Provisions on Data Flow updated the regulatory mechanisms for outbound data transfers. According to the Provisions on Data Flow, data processors shall apply to the CAC for an outbound data transfer security assessment in any of the following circumstances: (i) where a critical information infrastructure operator provides personal information or important data abroad; or (ii) where a data processor, other than a critical information infrastructure operator, provides important data abroad or, cumulatively as at 1 January of the current year, provides personal information (excluding sensitive personal information) of not less than 1 million people or sensitive personal information of not less than 10,000 people to overseas parties. If the data have not been identified or publicly announced as important data by relevant departments or regions, data processors are not required to declare a security assessment for cross-border provision of the data as important data. A data processor, other than a critical information infrastructure operator, shall conclude a standard contract with overseas recipients for provision of personal information abroad or undergo certification for the protection of personal information if it provides abroad, cumulatively as at 1 January of the current year, personal information (excluding sensitive personal information) of not less than 100,000 but not more than 1 million persons, or sensitive personal information of not more than 10,000 persons. The Provisions on Data Flow also include certain exemptions.

On 24 September 2024, *the Regulation on Network Data Security Management* (《網絡數據安全管理條例》) was promulgated by the State Council and came into effect on 1 January 2025. *The Regulation on Network Data Security Management* reiterates the general regulations for data processing activities and rules of protection of personal information, security of important data, and obligations of network platform service providers.

HONG KONG LAWS AND REGULATIONS RELATING TO OUR BUSINESS

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 under sections 6C and 6D 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 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 offence 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.

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, including company, 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 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 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 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 exportation of the article to which it relates. Any person who 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 (i) a fine of HK$2,000 upon summary conviction; and (ii) commencing from the day following 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.

Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Chapter 59AG of the Laws of Hong Kong) (the "Loadshifting Machinery Regulations")

Under regulation 3 of the Loadshifting Machinery Regulations, the responsible person of a loadshifting machine shall ensure that the machine is only operated by a person who (i) has attained the age of 18 years; and (ii) holds a valid certificate applicable to the type of loadshifting machine to which that machine belongs.

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

Under the Occupational Safety and Health Ordinance, employers must as far as reasonably practicable ensure the safety and health of employees in their workplaces by:

- providing and maintaining plant and systems of work that are safe and without risks to health;

- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances;

- as regards any workplace under the employer's control: — maintenance of the workplace in a condition that is safe and without risks to health; and — provision and maintenance of means of access to and egress from the workplace that are safe and without any such risks;

- providing all necessary information, instructions, training and supervision for ensuring safety and health; and

- providing and maintaining a working environment for the employer's employees that is safe and without risks to health.

Failure to comply with any of the above provisions constitutes an offence. The Commission for Labour may also issue an improvement notice against non-compliance of the Occupational Safety and Health Ordinance or the Factories and Industrial Undertakings Ordinance or suspension notice against activity in or condition of the workplace which may create imminent risk of death or serious bodily injury. Failure to comply with such notice without reasonable excuse constitutes an offence.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

Under the Employees' Compensation Ordinance, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 15(1A) of the Employees' Compensation Ordinance, employer shall report work injuries of its employee to the Commissioner of Labour not later than 14 days after the accident, irrespective of whether the accident gives rise to any liability to pay compensation. According to section 24 of the Employees' Compensation Ordinance, a principal contractor shall be liable to pay compensation to subcontractors' employees who are injured in the course of their employment to the subcontractor. The principal contractor is, nonetheless, entitled to be indemnified by the subcontractor who would have been liable to pay compensation to the injured employee. The employees in question are required to serve a notice in writing on the principal contractor before making any claim or application against such principal contractor.

Pursuant to section 40 of the Employees' Compensation Ordinance, all employers (including contractors and subcontractors) are required to take out insurance policies to cover their liabilities both under the Employees' Compensation Ordinance and at common law for injuries at work in respect of all their employees (including full-time and part-time employees). Under section 40(1B) of the Employees' Compensation Ordinance, where a principal contractor has undertaken to perform any construction work, it may take out an insurance policy for an amount not less than HK$200 million per event to cover his liability and that of his subcontractor(s) under the Employees' Compensation Ordinance and at common law. Where a principal contractor has taken out a policy of insurance under section 40(1B) of the Employees' Compensation Ordinance, the principal contractor and a subcontractor insured under the policy shall be regarded as having complied with section 40(1) of the Employees' Compensation Ordinance.

An employer who fails to comply with the Employees' Compensation Ordinance to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK$100,000) and to imprisonment for two years.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong)

The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Limitation Ordinance (Chapter 347 of the Laws of Hong Kong)

Under the Limitation Ordinance, the time limit for an applicant to commence employees' compensation claims is two years, while that for common law claims for personal injuries is three years, from the date on which the cause of action accrued.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance provides for a prescribed minimum hourly wage rate during the wage period for every employee engaged under a contract of employment under the Employment Ordinance.

Pursuant to the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("**MPF Schemes Ordinance**"), employers are required to enroll their regular employees (except for certain exempt persons) aged between at least 18 but under 65 years of age and employed for 60 days or more in a Mandatory Provident Fund ("**MPF**") scheme within the first 60 days of employment. For both employees and employers, it is mandatory to make regular contributions into a MPF scheme. For an employee, subject to the maximum and minimum levels of income, an employer will deduct 5% of the relevant income on behalf of an employee as mandatory contributions to a registered MPF scheme with a ceiling. Employer will also be required to contribute an amount equivalent to 5% of an employee's relevant income to the MPF scheme, subject only to the maximum level of income.

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "IRO")

Section 20A of the IRO gives the Inland Revenue Department (the "**IRD**") wide powers to collect tax due from non-residents.

The IRD may also make transfer pricing adjustments by disallowing expenses incurred by the Hong Kong resident under sections 16(1), 17(1)(b) of the IRO and challenging the entire arrangement under general anti-avoidance provisions such as sections 61 and 61A of the IRO.