INDUSTRIAL POLICIES FOR NEW ENERGY INDUSTRY

According to the Opinions on Completely, Accurately and Comprehensively Implementing New Development Concepts and Achieving Peak Carbon Neutrality promulgated by the Central Committee of the Communist Party of China and the State Council on September 22, 2021, the development of strategic emerging industries such as new energy, new materials, new energy vehicles, and green environmental protection shall be accelerated. We should also implement renewable energy replacement actions, vigorously develop wind power, solar energy, biomass energy, ocean energy, geothermal energy, etc., and continuously increase the consumption proportion of non- fossil energy. We should also accelerate the large- scale application of pumped storage and new energy storage. The development of new energy and clean energy vehicles and vessels shall be accelerated, and intelligent transportation shall be promoted. The construction of a convenient, efficient and moderately advanced battery charging and swapping network system shall be accelerated.

According to the Guiding Opinions on Promoting the Development of Energy Electronics Industry jointly promulgated by six authorities including the Ministry of Industry and Information Technology and the National Energy Administration on January 3, 2023, efforts should be made to overcome technical difficulties in the industrialization of new energy storage batteries and promote the large- scale application of advanced energy storage technologies and products. We should research into breakthroughs in key technologies in systems of ultra-long life and high security batteries, large-scale, large-capacity and efficient energy storage, energy storage for the movement of transport tools, and accelerate the research and development of solid batteries, sodium-ion batteries, hydrogen storage/fuel batteries and other new types of batteries. We should promote intelligent production technology and equipment, advanced integration and manufacturing techniques, performance testing and evaluation techniques. The capacity to guarantee key resources such as lithium, nickel, cobalt and platinum shall be improved, and the development and application of alternative materials shall be strengthened. We should promote hybrid energy storage systems based on complementary power-type and energy-type electrochemical energy storage technologies. We support the establishment of whole-lifecycle traceability management platforms for lithium-ion batteries and other devices, carry out research on accounting standards and methods for battery carbon footprint, and explore the establishment of a carbon emission management system for battery products.

According to the Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development jointly promulgated by the Central Committee of the Communist Party of China and the State Council on July 31, 2024 with effect on the same day, low-carbon transportation tools shall be promoted. We should vigorously promote new energy vehicles and promote electrification and replacement of urban public service vehicles. We should promote ships, aircraft, and non-road mobile machinery to use clean power, accelerate the elimination of old means of transport, and promote zero-emission freight transport. We should strengthen the research and development and application of sustainable aviation fuel, and encourage the research and development, production and application of net zero-emission marine fuel. By 2030, the carbon emission intensity of operating vehicles per converted turnover shall have decreased by about 9.5% from that in 2020. By 2035, new energy vehicles shall have become the mainstream of newly sold vehicles.

INDUSTRIAL POLICIES FOR DAILY CHEMICAL MATERIALS AND SPECIALIZED CHEMICALS

The National People's Congress promulgated the Fifteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China on March 13, 2026, which sets forth the objective of developing and expanding emerging industries and accelerating the growth of strategic emerging industries, including next-generation information technology, new energy, new materials, intelligent connected new energy vehicles, robotics, biomedicine, high-end equipment, and aerospace. In the emerging battery sector, the Plan emphasizes accelerating the development of key materials such as high-capacity electrode materials, high-conductivity electrolyte materials, and composite current collectors; advancing research and development of high-end manufacturing equipment and processes such as high-precision coating and high-speed stacking; and expanding the application of high-safety, high-energy-density batteries in areas such as new intelligent terminals, new energy storage, and electric transportation vehicles.

The Implementation Plan for the Innovative Development of Fine Chemical Industry (2024-2027) promulgated by the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Ecology and Environment, the Ministry of Agriculture and Rural Affairs, the Ministry of Emergency Management, the Chinese Academy of Sciences, the Chinese Academy of Engineering, and the National Energy Administration on July 2, 2024, proposes that "we should focus on strengthening the high-value utilization of fluorine, silicon, phosphorus and other mineral resources, and developing super-clean and high-purity hydrofluoric acid, special fluorine-containing monomers, fourth-generation fluorine-containing refrigerants and other fluorine-containing chemicals, high-quality fluorine resin, high-performance fluorine-containing rubber and other fluorine-containing new materials; new organosilicon monomers and high-performance silicone oil, silicone rubber, silicone resin and other advanced silicon materials; phosphorus-based new energy materials, high-performance phosphorus-containing flame retardants, plasticizers, water purifying agents, pharmaceutical pesticide intermediates, black phosphorus-based materials and other high-value phosphorus-containing chemicals."

The Several Provisions on Supporting Innovation of Cosmetic Ingredients promulgated by the NMPA on January 26, 2025 propose to support the innovation and application of new ingredients, and implement early intervention and whole-process guidance for new ingredients that meet certain conditions, such as new ingredients to be first marketed for use in China and developed by applying modern science and technology and combining with China's traditional advantages and characteristic plant resources, and enhance the quality of research and development and the speed of application of new ingredients; special review channels shall be set up for those applying for registration of new ingredients and special cosmetics using the aforesaid new ingredients that meet the above conditions, and give priority to review and accelerate the marketing of new ingredients and products.

COMPANY LAW

According to the Company Law of the People's Republic of China (the "**Company Law**") last revised on December 29, 2023 and effective as of July 1, 2024 by the Standing Committee of the National People's Congress (the "**NPC Standing Committee**") of the People's Republic of China, both limited liability companies and joint stock limited companies established in the People's Republic of China have legal person status. Shareholders of a limited liability company are liable to the company to the extent of their respective capital contributions; shareholders of a joint stock limited company are liable to the company to the extent of their respective subscribed shares. The Company Law also applies to foreign investment enterprises. Where there are special provisions in foreign investment laws, such provisions shall prevail.

LAWS AND REGULATIONS RELATING TO WORK SAFETY, CHEMICALS, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION REVIEW

Work Safety

According to the Work Safety Law of the People's Republic of China last revised on June 10, 2021 and effective on September 1, 2021 by the Standing Committee of the National People's Congress, entities engaging in production and operation activities within the territory of China shall meet the work safety conditions stipulated in the Work Safety Law of the People's Republic of China and other relevant laws, administrative regulations, national standards, and industry standards; those that do not meet the work safety conditions are not allowed to engage in production and operation activities. Production and operation entities shall strengthen work safety management, establish and improve an all-staff work safety responsibility system and rules and regulations on work safety, increase investment and guarantee of work safety funds, materials, technology, and personnel, improve work safety conditions, strengthen work safety standardization and information construction, establish a dual prevention mechanism of safety risk grading control and hidden danger troubleshooting and addressing, improve the risk prevention and resolution mechanism, and improve the level of work safety to ensure work safety.

According to the Regulations on Work Safety Licenses last amended on July 29, 2014 by the State Council and effective on the same day, the State implements a work safety licensing system for mining enterprises, construction enterprises, and enterprises producing hazardous chemicals, fireworks and civil explosives. Without a work safety license, such enterprises are not allowed to engage in production activities. After obtaining a work safety license, an enterprise may not lower its work safety conditions, and shall strengthen its routine work safety management and be subject to the supervision and inspection of the administrative department from which the license is issued.

According to the Regulations on Emergency Responses to Work Safety Accidents promulgated on February 17, 2019 by the State Council and effective on April 1, 2019, production and operation entities shall strengthen emergency responses to work safety accidents and establish and improve the work safety accident emergency responsibility system, and the person chiefly in charge of such entities shall be fully responsible for the entity's emergency responses to work safety accidents.

Chemicals

Hazardous Chemicals

According to the Regulations on the Safety Administration of Hazardous Chemicals last amended on December 7, 2013 and effective on the same day by the State Council, the Regulations are applicable to the safety administration of the production, storage, use, operation and transportation of hazardous chemicals. Hazardous chemicals refer to hyper- toxic chemicals and other chemicals with the nature of toxicity, corrosion, explosion, flammability and combustion-supporting, which are harmful to human body, facilities and environment. The Catalogue of Hazardous Chemicals shall be determined and announced by the work safety supervision and administration department of the State Council in conjunction with the administrative departments of the State Council in charge of industry and information technology, public security, environmental protection, health, quality supervision, inspection and quarantine, transportation, railway, civil aviation, and agriculture. No entity or individual may produce, operate or use hazardous chemicals whose production, operation and use are prohibited by the State. Where the State has any restrictive provisions on the use of hazardous chemicals, no entity or individual may use such chemicals in violation of such restrictive provisions.

According to the Measures for the Safety Supervision and Administration of Construction Projects of Hazardous Chemicals, last amended on May 27, 2015 and effective on July 1, 2015 by the Ministry of Emergency Management (the former State Administration of Work Safety), the new construction, reconstruction and expansion projects of production and storage of hazardous chemicals and the chemical construction projects with the generation of hazardous chemicals within the territory of the People's Republic of China are subject to safety review. Without the safety review and the acceptance of safety facilities upon completion, the construction project shall not start construction or be put into production (use).

According to the Measures for the Administration of Registration of Hazardous Chemicals, promulgated on July 1, 2012 and effective on August 1, 2012 by the Ministry of Emergency Management (the former State Administration of Work Safety), the State adopts a registration system for hazardous chemicals. A newly established producer shall go through the hazardous chemical registration prior to the completion and acceptance thereof. An importer shall go through the hazardous chemical registration prior to its first import. The original and duplicate of the hazardous chemical registration certificate shall indicate the serial number of the certificate, the name, registered address and nature of the enterprise, the registered type of hazardous chemical, the term of validity, issuing authority and date of issuance, etc. The nature of the enterprise shall be indicated if it is a producer, importer or producer (importer) of hazardous chemicals.

Chemicals Liable to Producing Drugs

According to the Administrative Regulations on Precursor Chemicals, last amended on September 18, 2018 and effective on the same day by the State Council, and the Measures for the Licensing for Production and Operation of Non- pharmaceutical Precursor Chemicals promulgated on April 5, 2006 and effective on April 15, 2006 by the Ministry of Emergency Management (the former State Administration of Work Safety), the State applies the classified administration and licensing system to the production, operation, purchase, transportation and import and export of precursor chemicals. Whoever produces or operates a non-pharmaceutical precursor chemical of Class II or Class III shall go through the archival filing of production or operation of the non-pharmaceutical precursor chemical. Whoever produces a non-pharmaceutical precursor chemical of Class II or Class III shall report the varieties under production, the quantity and etc. to the supervision and administration department of work safety of the local people's government at the district city level for archival filing within 30 working days as of the day of production.

Environmental Protection

According to the Environmental Protection Law of the People's Republic of China, last amended on April 24, 2014 and effective on January 1, 2015 by the Standing Committee of the National People's Congress, any entity which discharges or is about to discharge pollutants in its operation or other activities must adopt effective environmental protection measures to control and properly dispose of waste gas, wastewater, waste residue, dust, malodorous gas, radioactive substances, noise, vibration, electromagnetic radiation and other hazardous substances generated from the relevant activities. The State implements a pollutant discharge licensing management system according to the law.

Pollutant Discharge Licensing

According to the Administrative Regulations on Pollutant Discharge Licensing which was promulgated on January 24, 2021 and was effect on March 1, 2021 by the State Council, enterprises, public institutions and other producers and operators that are subject to pollutant discharge licensing management shall discharge pollutants in accordance with the Regulations, and shall not discharge pollutants without a pollutant discharge license. Competent environmental protection authorities shall impose administrative penalties on individuals and enterprises that violate the Environmental Protection Law of the People's Republic of China, such as fines, orders to make corrections, restrictions on production, production suspension for rectification, orders to cease business, etc.

According to the Administrative Measures on Pollutant Discharge Licensing promulgated on April 1, 2024 by the MEE and effective on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to pollutant discharge licensing management in accordance with the law shall apply for a pollutant discharge license in accordance with the law and discharge pollutants in accordance with the provisions of the pollutant discharge license; no pollutant discharge is allowed without a pollutant discharge license. Enterprises, public institutions and other producers and operators that are required to fill in a pollutant discharge registration form in accordance with the law shall conduct pollutant discharge registration on the national pollutant discharge license information management platform.

According to the Catalog of Classified Management of Pollutant Discharge Licenses for Stationary Pollution Sources (2019 Edition) promulgated by the MEE on December 20, 2019 and effective on the same day, pollutant discharge entities shall be subject to key management, simplified management and registration-based management of pollutant discharge licensing based on the quantity of pollutants generated and discharged, degree of environmental impact and other factors. Pollutant discharge entities with a relatively large quantity of pollutants generated or discharged or a relatively large degree of environmental impact shall be subject to key management of pollutant discharge licensing; Pollutant discharge entities with a relatively small quantity of pollutants generated or discharged or a relatively small degree of environmental impact shall be subject to simplified management of pollutant discharge licensing. Pollutant discharge entities with a very small quantity of pollutants generated or discharged or a very small degree of environmental impact shall be subject to the registration management of pollutant discharge licensing. Pollutant discharge entities subject to registration management are not required to apply for a pollutant discharge license; instead, they shall fill in pollutant discharge registration forms on the national pollutant discharge license information management platform, registering their basic information, whereabouts of pollutants discharged, pollutant discharge standards implemented, pollution prevention and control measures adopted, etc.

Solid Wastes

According to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, which was last revised on April 29, 2020 and entered into force on September 1, 2020 by the Standing Committee of the National People's Congress, any entity or individual generating or collecting, storing, transporting, utilizing or disposing of solid wastes shall adopt measures to prevent or reduce environmental pollution by solid wastes and shall assume liability for any resulting environmental pollution. If there are hazardous wastes among solid wastes, such wastes shall be managed as hazardous wastes.

Fire Control

According to the Fire Control Law of the People's Republic of China which was last revised on April 29, 2021 by the Standing Committee of the National People's Congress and entered into force on the same day, the emergency management department under the State Council and the emergency management departments of local people's governments at or above the county level shall supervise and administer the fire control work. The fire control design and construction of a construction project must conform to the national fire control technology standards for construction of projects.

According to the Interim Administrative Provisions on the Examination and Acceptance of Fire Control Design for Construction Projects which was last revised on August 21, 2023 by the Ministry of Housing and Urban-Rural Development and implemented on October 30, 2023, special construction projects prescribed in Article 14 of the Interim Administrative Provisions on the Examination and Acceptance of Fire Control Design for Construction Projects shall be subject to the fire control design examination and fire control acceptance. Construction projects other than special construction projects which require fire control design in accordance with the national fire control technology standards for construction of projects shall be subject to filing and random check for fire control acceptance.

Energy Conservation Review

According to the Energy Conservation Law of the People's Republic of China which was last revised on October 26, 2018 by the Standing Committee of the National People's Congress and entered into force on the same day, the State implements the energy conservation assessment and review system for fixed asset investment projects. For projects that do not meet the mandatory energy conservation standards, the developer shall not commence construction; and if such projects have been completed, they shall not be put into production or use.

According to the Measures for the Energy Conservation Review of Fixed Asset Investment Projects which was revised by the National Development and Reform Commission on March 28, 2023 and entered into force on June 1, 2023, the opinions on the energy conservation review of fixed asset investment projects are an important basis for the commencement of construction, completion acceptance and operation management of projects. For government-invested projects, the developer shall obtain the opinions on energy conservation review issued by the energy conservation review authority before submitting the project feasibility study report. For enterprise-invested projects, the developer shall obtain the opinions on energy conservation review before the commencement of construction. For projects which have not undergone or failed to pass the energy conservation review, the developer shall not commence construction and the projects which have been completed shall not be put into production or use.

LAWS AND REGULATIONS RELEVANT TO PRODUCT QUALITY

According to the Product Quality Law of the People's Republic of China which was last revised on December 29, 2018 and entered into force on the same day by the Standing Committee of the National People's Congress, the market supervision and administration department under the State Council is in charge of national supervision of product quality. Producers are prohibited from producing or selling products that do not meet the standards and requirements for protection of human health and personal and property safety. The products shall not contain any unreasonable dangers which endanger personal and property safety. If personal injury or damage to the property of others is caused due to the defects of products, the victims may claim compensation against producers or sellers of such products. Producers and sellers of unqualified products may be ordered to cease production or sales and may face confiscation of products and/or fines; if there are illegal gains, such gains shall be confiscated concurrently; if the circumstance is serious, the business license may be revoked.

According to the Civil Code of the People's Republic of China which was promulgated by the National People's Congress on May 28, 2020 and entered into force on January 1, 2021, producers shall bear tortious liability for damages caused to others due to the defects of their products. The injured party may seek compensation from either the producer or the seller of such products for damages caused to others due to the defects of such products. If the product defect is caused by the producer, the seller shall have the right to recover the same from the producer after paying compensation. If the product defect is caused by the seller, the producer shall have the right to recover the same from the seller after paying compensation. If the product defect endangers the personal or property safety of others, the injured party shall have the right to request producers and sellers to bear tortious liability such as cessation of infringement, removal of obstruction, elimination of danger, etc.

LAWS AND REGULATIONS RELEVANT TO IMPORT AND EXPORT

According to the Customs Law of the People's Republic of China which was last revised on April 29, 2021 and entered into force on the same day by the Standing Committee of the National People's Congress, the customs is the supervisory and administrative agency for entry and exit of customs territory, and has the power, in accordance with the relevant laws and administrative regulations, to supervise and control the means of transport, goods, luggage, postal items and other articles entering or leaving the territory, to collect customs duties and other taxes and fees, to uncover and suppress smuggling, to compile customs statistics and to handle other customs operations. A customs declaration agent refers to a consignor or a consignee of exported or imported goods or a customs declaration enterprise which is filed for record with the customs. A consignor or a consignee of exported or imported goods may complete customs declaration formalities by itself or entrust a customs declaration agency to do so.

LAWS AND REGULATIONS REGARDING FOREIGN TRADE AND TECHNOLOGY EXPORT

According to the Foreign Trade Law of the People's Republic of China, which was last revised on December 30, 2022 and entered into force on the same day by the Standing Committee of the National People's Congress, the State may restrict or prohibit the import or export of relevant goods or technologies for the following reasons: (i) it is necessary to restrict or prohibit the import or export of goods or technologies to maintain national security, social public interests or public morality; (ii) it is necessary to restrict or prohibit the import or export of goods or technologies to protect human health or safety, the life or health of animals and plants, or the environment; (iii) it is necessary to restrict or prohibit the import or export of gold or silver because of implementation of measures relating to import or export of gold or silver; (iv) it is necessary to restrict or prohibit the export of natural resources that are in short supply at home or to effectively protect natural resources that might be exhausted; (v) it is necessary to restrict the export of goods due to limited market capacity in the importing country or region; (vi) it is necessary to restrict the export of goods due to serious disruptions in the order of export operations; (vii) it is necessary to restrict the import of goods in order to establish or speed up establishing specific industries at home; (viii) it is necessary to restrict the import of agricultural, animal husbandry or fishery products in any form; (ix) it is necessary to restrict the import of goods or technologies in order to maintain the State's international financial status and international balance of payments; (x) it is necessary to restrict or prohibit the import or export of goods due to other circumstances in accordance with laws and administrative regulations; (11) it is necessary to restrict or prohibit the import or export of goods according to the provisions of international treaties or agreements to which China is a contracting party or a party.

According to the Regulations of the People's Republic of China on the Administration of the Import and Export of Technology last revised on November 29, 2020 by the State Council and implemented on the same day, the term "import and export of technology" refers to the act of transferring technology from outside the territory of the People's Republic of China to inside the territory of the People's Republic of China or from inside the territory of the People's Republic of China to outside the territory of the People's Republic of China by way of trade, investment or economic and technical cooperation, including the transfer of patent right, the transfer of patent application right, the licensing of patent implementation, the transfer of technical secrets, the technical services and other forms of technology transfer. The competent foreign trade department under the State Council shall, in conjunction with other relevant departments under the State Council, formulate, regulate and publish a list of technologies that are prohibited from being exported or where export is restricted. Technologies prohibited from being exported shall not be exported. Technologies restricted from being exported shall be subject to licensing administration; and shall not be exported without licensing.

LAWS AND REGULATIONS RELEVANT TO INTELLECTUAL PROPERTY RIGHTS

Patents

According to the Patent Law of the People's Republic of China which was last revised on October 17, 2020 and entered into force on June 1, 2021 by the Standing Committee of the National People's Congress, the patent administrative department of the State Council is responsible for administration of patent work nationwide, accepts and examines patent applications in a unified manner, and grants patent rights pursuant to the law. The patent administrative department of the people's government of a province, an autonomous region or a municipality directly under the central government is responsible for patent administration work within its administrative region. Any invention or utility model for which a patent right may be granted must possess novelty, inventiveness and practical applicability. Patents are classified into three categories, namely, patents for inventions, patents for utility models, and patents for industrial designs. The duration of a patent right for an invention shall be twenty years, that for a utility model ten years, and that for a design fifteen years, all commencing from the date of filing. After the grant of a patent right for an invention, utility model or design, except where otherwise provided for in the Patent Law of the People's Republic of China, no entity or individual may exploit the patent without the authorization of the patentee.

Trademarks

According to the Trademark Law of the People's Republic of China which was last revised on April 23, 2019 and entered into force on November 1, 2019 by the Standing Committee of the National People's Congress and the Implementing Regulations of the Trademark Law of the People's Republic of China which was last revised on April 29, 2014 and entered into force on May 1, 2014 by the State Council, the trademarks registered with the Trademark Office of China National Intellectual Property Administration are registered trademarks, including commodity trademarks, service trademarks, collective trademarks and certification trademarks. The validity period of a registered trademark shall be 10 years, commencing from the date of registration. Where a trademark registrant intends to continue using the registered trademark upon expiry of the validity period, it shall complete renewal formalities pursuant to the provisions within the 12-month period prior to expiry of the validity period. A trademark registrant may execute a trademark licensing contract to license the use of its registered trademark to others. Without licensing by the trademark registrant, using a trademark similar to a registered trademark on the same type of commodities, or using a trademark identical or similar to the registered trademark on similar commodities, which easily causes confusion, shall be deemed as infringement upon the exclusive right to use a registered trademark. In the case of infringement upon the exclusive right to use a registered trademark, the infringer shall cease the infringement, confiscate and destroy the infringing commodities and the tools mainly used for manufacturing the infringing commodities and forging the logo of the registered trademark.

Trade Secrets

According to the Anti-unfair Competition Law of the People's Republic of China (the "**Anti-Unfair Competition Law**") last revised on April 23, 2019 by the Standing Committee of the National People's Congress and entered into force on the same day, trade secrets refer to business information, such as technical and business information, which is unknown to the public, has commercial value, and for which the right holder has adopted corresponding measures for confidentiality. Business operators shall not engage in any of the following infringements upon trade secrets: (1) obtaining a right holder's trade secrets by theft, bribery, fraud, coercion, electronic intrusion or other improper means; (2) disclosing, using, or allowing others to use a right holder's trade secrets obtained by the means mentioned in the preceding paragraph; (3) disclosing, using, or allowing others to use a right holder's trade secrets in violation of confidentiality obligations or a right holder's requirements on keeping such trade secrets confidential; and (4) instigating, inducing or assisting others to violate confidentiality obligations or a right holder's requirements on keeping such trade secrets so as to obtain, disclose, use, or allow others to use a right holder's trade secrets. Any natural person, legal person or unincorporated organization other than a business operator that engages in any of the illegal activities listed in the preceding paragraph shall be deemed to have infringed upon trade secrets. Where a third party knows or should know that an employee, former employee of a right holder of trade secrets, or any other entity or individual, has engaged in any of the illegal activities mentioned in the preceding paragraph, but still obtains, discloses, uses or allows others to use such trade secrets, such practice shall be deemed to have infringed upon the trade secrets. Where a business operator or any other natural person, legal person or unincorporated organization infringes upon a trade secret in violation of regulations, the supervision and inspection authorities shall order it to cease the illegal act, confiscate illegal income and impose a fine against it.

LAWS AND REGULATIONS REGARDING LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Law; labor contract

According to the Labor Law of the People's Republic of China last amended by the Standing Committee of the National People's Congress on December 29, 2018 and entered into force on the same day, the Labor Contract Law of the People's Republic of China last amended by the Standing

Committee of the National People's Congress on December 28, 2012 and entered into force on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China promulgated by the State Council on September 18, 2008 and entered into force on the same day, a written labor contract shall be concluded for the establishment of labor relationship between an employer and an employee. The labor contract concluded according to law shall be legally binding, and the obligations stipulated therein shall be performed by the employer and the employee. Employers shall establish and improve labor rules and regulations according to law to ensure that employees enjoy labor rights and perform labor obligations. Employers shall strictly comply with the labor quota standard, and shall not force or in a disguised form force any employee to work overtime. Employers that require employees to work overtime shall pay overtime wages to employees in accordance with the relevant regulations of the State. In addition, the salary of an employee shall not be lower than the local minimum wage standard and shall be paid to the employee in a timely manner.

Social Insurance

According to the Social Insurance Law of the People's Republic of China last amended by the Standing Committee of the National People's Congress on December 29, 2018 and entered into force on the same day and other laws and regulations, employers in the PRC shall provide their employees with social insurance covering basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and work-related injury insurance. If an employer fails to pay the aforesaid social insurance in accordance with the relevant provisions, it may be ordered to pay or complement the social insurance within a time limit, and if it fails to pay the social insurance within the prescribed time limit, the employer may be imposed a fine.

Housing Fund

According to the Regulation on the Administration of the Housing Fund last amended by the State Council on March 24, 2019 and entered into force on the same day, housing fund refers to the long-term housing savings contributed by employers and their in-service employees. Employers in the PRC shall pay housing fund for their employees in accordance with the relevant provisions. In case of failure to pay housing fund contributions within a time limit or underpayment of housing fund contributions, an employer may be ordered by the housing fund management center to pay the outstanding housing fund contributions within a time limit, and if it fails to pay the outstanding housing fund contributions within the time limit, the employer may apply to the people's court for enforcement.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE AND OUTBOUND INVESTMENT

Foreign Exchange

According to the Administrative Regulations on Foreign Exchange of the People's Republic of China last amended on August 5, 2008 and implemented on the same day by the State Council, foreign exchange under current account items (refer to transactions involving goods, services, income and current transfers, etc. in international balance of payments) can be converted into other currencies. With respect to capital account items (refer to capital transfers, direct investments, securities investments, derivatives and loans, etc.), domestic direct investments by foreign institutions and individuals shall be subject to registration with foreign exchange administrative authorities upon the approval of relevant competent authorities. Domestic institutions and individuals making overseas direct investments or engaging in overseas issuance and trading of negotiable securities and derivatives shall make the appropriate registrations in accordance with the provisions of the State Council foreign exchange administrative department.

According to the Circular of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing promulgated and implemented by the State Administration of Foreign Exchange on December 26, 2014, a domestic company shall, within 15 working days upon the completion of its overseas listing issuance, carry out overseas listing registration with the local SAFE office on the strength of relevant materials. The funds raised by a domestic company through overseas listing may be repatriated back to the PRC or deposited overseas, and the use of such funds shall be consistent with the contents as listed in the prospectus or the corporate bond prospectus, circular to shareholders, resolution of the board of directors or the shareholders' general meeting, and other publicly disclosed documents.

According to the Circular of the People's Bank of China on Further Improving Policies of Renminbi Cross-border Business to Promote Trade and Investment Facilitation, promulgated and implemented by the People's Bank of China on January 5, 2018, funds raised by a domestic company through issuance of Renminbi bond abroad may be repatriated to the PRC according to the actual needs. The funds raised by a domestic company through overseas stock issuance in RMB may be repatriated to the PRC according to the actual needs.

According to the Circular of the State Administration of Foreign Exchange on Further Deepening the Reform to Promote Cross-border Trade and Investment Facilitation, promulgated and implemented by the State Administration of Foreign Exchange on December 4, 2023, the capital of non-financial enterprises, foreign exchange receipts under foreign debts, and Renminbi funds obtained from foreign exchange settlement thereof shall be used in accordance with the principles of authenticity and self-use, and shall not be directly or indirectly used for expenditures prohibited by national laws and regulations; except as otherwise expressly provided, shall not be directly or indirectly used for securities investment or other investment and wealth management (excluding wealth management products and structured deposits with risk rating results of no higher than Grade II); shall not be used for granting loans to non- affiliated enterprises (excluding four areas, namely, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, Guangzhou Nansha New Area of China (Guangdong) Pilot Free Trade Zone, Yangpu Economic Development Zone of China (Hainan) Pilot Free Trade Port, and Beilun District of Ningbo, Zhejiang Province); and shall not be used for purchasing non-self-use residential real estate (excluding enterprises engaged in real estate development or leasing).

LAWS AND REGULATIONS REGARDING SUPERVISION OF FOREIGN INVESTMENT

According to the Foreign Investment Law of the People's Republic of China promulgated by the National People's Congress on March 15, 2019, effective as of January 1, 2020, and the Implementing Regulations of the Foreign Investment Law of the People's Republic of China promulgated by the State Council on December 26, 2019, effective as of January 1, 2020, China adopts a pre-entry national treatment plus negative list management system for foreign investment. Foreign investors are not allowed to invest in sectors prohibited by the negative list, while foreign investors are allowed to invest in sectors restricted by the negative list if investment by foreign investors meets the investment conditions stipulated under the negative list. For sectors not mentioned in the negative list, management shall be conducted in accordance with the principle of consistency of domestic and foreign investment. Meanwhile, as needed for national economic and social development, the State develops the Catalogue of Encouraged Industries for Foreign Investment, specifying the specific industries, sectors and regions to encourage and guide investments by foreign investors.

The current industry access regulations for foreign investors to carry out investment activities in China are set out in two Catalogues: the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) jointly promulgated by the National Development and Reform Commission and the Ministry of Commerce on September 6, 2024 and effective as of November 1, 2024, and the Catalogue of Encouraged Industries for Foreign Investment (Edition 2022) jointly promulgated by the National Development and Reform Commission and the Ministry of Commerce on October 26, 2022 and effective as of January 1, 2023. Under the Catalogue, foreign investment businesses are divided into three categories, namely, the encouraged business, the restricted business and the prohibited business. Industries not listed in the above three categories are permitted for foreign investment, unless specially restricted by other laws and regulations in China.

LAWS AND REGULATIONS ON OVERSEAS ISSUANCE AND LISTING OF SECURITIES BY DOMESTIC ENTERPRISES

The Securities Law of the People's Republic of China, last revised by the Standing Committee of the National People's Congress on December 28, 2019 and effective on March 1, 2020, has conducted a comprehensive supervision on the securities market activities in China, including the issuance and trading of securities, the acquisition of listed companies, stock exchanges and securities companies, and the duties of securities regulatory authorities. The Securities Law of the People's Republic of China further stipulates that domestic enterprises which issue securities overseas directly or indirectly or list securities overseas shall comply with the relevant provisions of the State Council, and the specific measures for subscription, purchase and sale of shares of domestic companies in China in foreign currencies shall be separately formulated by the State Council. The CSRC is the securities regulatory authority established by the State Council and responsible for regulating the securities market in accordance with the law, maintaining market order and ensuring the lawful operation of the market. Currently, the issuance and trading of H shares are mainly subject to the rules and regulations promulgated by the State Council and the CSRC.

According to the Trial Measures for Overseas Listing promulgated on February 17, 2023 and effective as of March 31, 2023 by the China Securities Regulatory Commission ("**CSRC**"), a domestic enterprise that intends to launch an overseas initial public offering or listing shall file the application with the CSRC within three working days after the submission of the offering and listing overseas.

According to the Provisions on Strengthening the Confidentiality and Archives Management of Overseas Issuance and Listing of Securities by Domestic Enterprises, last revised on February 24, 2023 and effective on March 31, 2023 by the China Securities Regulatory Commission, the Ministry of Finance, the State Secrecy Bureau and the State Archives Administration, during the activities of overseas issuance and listing of shares by domestic enterprises, the securities companies and securities service institutions providing corresponding services for such domestic enterprises shall strictly comply with the relevant laws and regulations of China as well as the requirements thereof, strengthen the legal awareness of protecting state secrets and strengthening archives management, establish and improve the confidentiality and archives system, adopt necessary measures to implement the responsibilities of confidentiality and archives management, and shall not disclose state secrets or work secrets of government agencies or harm national and public interests. Where a domestic enterprise provides or publicly discloses any document or material involving state secrets or work secrets of government agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such document or material through its overseas listing subjects, the domestic enterprise shall report the same to the competent authority for examination and approval for approval and file the same with the secrecy administrative department at the same level for record.

MOROCCO REGULATORY OVERVIEW

Law n°03-22 (Investment Charter)

Law n°03-22, known as the Investment Charter, constitutes a fundamental reform of the legal and institutional framework governing investment in the Kingdom of Morocco. Promulgated on 9 December 2022, this legislation consolidates and modernizes the principles and mechanisms applicable to investment, with a view to ensuring greater legal certainty, transparency, and predictability for both domestic and foreign investors. It establishes a unified system of incentives and guarantees, harmonizes existing sectoral provisions, and redefines the role of public authorities in supporting and facilitating investment. Furthermore, the law provides a comprehensive framework for contractual arrangements between the State and investors, notably through investment agreements.

In addition to setting general rules, Law n°03-22 introduces differentiated incentive regimes designed to encourage projects that contribute to the achievement of national economic and social objectives. These include the promotion of sustainable job creation, regional and territorial equity, innovation and industrial integration, as well as the acceleration of Morocco's ecological and energy transition. The law also creates new governance structures, such as the National Investment Commission and regional entities, tasked with monitoring, coordinating, and evaluating the implementation of investment policies. By enshrining these principles into binding legislation, the Investment Charter seeks to enhance the attractiveness of Morocco's investment climate, while ensuring that private capital serves the broader objectives of inclusive and sustainable development.

Decree n°2-23-1 (Investment Decree)

Decree n°2-23-1, promulgated on 16 February 2023, operationalizes the main investment support mechanism and the specific support mechanism applicable to strategic investment projects, as mandated by Article 40 of Law n°03-22.

The main investment support mechanism, as provided under Article 6 of the Investment Decree, applies to projects meeting either of two thresholds: an investment amount equal to or greater than MAD 50 million with the creation of 50 to 149 stable jobs, or the creation of at least 150 stable jobs regardless of the investment amount. This mechanism operates through three schemes. The common scheme grants financial support based on criteria such as the number of permanent jobs created, gender inclusion, promotion of future or technology-upgrading projects including renewable energy, sustainable development impact, and local integration. The territorial scheme provides differentiated incentives depending on whether the project is located. Finally, the sectoral scheme supports priority industries by granting financial support to projects in sectors such as industry, tourism, cultural and digital industries, renewable energy, waste recycling, and logistics. Together, these schemes create a structured framework of incentives intended to align private investment with Morocco's economic, social, and territorial development objectives.

Under the Decree n°2-23-1, strategic investment projects, defined as those exceeding 2 billion dirhams and contributing significantly to national priorities (e.g., water, energy, health), are also eligible for enhanced support under this framework. Pursuant to Article 9 of the Investment Charter, any investor wishing to benefit from the main support mechanism and/or the specific support mechanism applicable to strategic investment projects must enter into an investment agreement with the State which defines, in particular, the reciprocal commitments of the State and the investor and the terms and conditions of their implementation.

Law n°12-90 (Urban Planning Law)

Law n°12-90, promulgated on June 17, 1992, establishes the legal framework for urban planning in Morocco. It defines the principles, procedures, and instruments governing the organization and development of urban spaces. Law n°12-90 sets out the roles of central and local authorities in approving and implementing urban plans, and mandates that all construction, subdivision, and development projects comply with the provisions of approved planning documents. Under Law n°12-90, a building permit is required prior to the commencement of any construction or renovation work. This permit is issued by the relevant municipal or provincial authority following a review of the architectural plans and compliance with zoning regulations. In addition, upon completion of the construction, the owner must obtain a certificate of compliance (or certificate of conformity) confirming that the building has been constructed in accordance with the approved permit. This certificate is mandatory for the legal occupation, leasing, or sale of non-residential properties.

General Construction Regulations (RGC)

The General Construction Regulations (RGC), approved by Decree No. 2-13-424 and promulgated on May 24, 2013, establish the national framework for issuing urban planning authorizations in Morocco. These regulations aim to standardize the procedures, forms, and conditions for granting building permits, occupancy certificates, and compliance certificates across all municipalities.

The RGC clarifies the responsibilities of various stakeholders, including architects, engineers, and local authorities, and introduces mechanisms to streamline administrative processes. It sets out technical standards for safety, hygiene, aesthetics, and public convenience, including rules on structural stability, ventilation, fire prevention, and sanitation. The RGC also promotes dematerialization of procedures, enhances transparency, and encourages coordination among stakeholders. These regulations are central to Morocco's efforts to improve the business climate, promote investment, and ensure sustainable urban development.

Law n°11-03 (Environmental Protection and Enhancement Law)

Law n°11-03, promulgated on 12 May 2003, establishes the foundational legal framework for Morocco's national environmental policy. The law aims to safeguard natural resources from pollution and degradation, improve living conditions, and promote ecological balance. It establishes the general principles, obligations, and mechanisms necessary for the protection, enhancement, and sustainable management of the environment.

The law defines the duties of public authorities, private entities, and citizens in ensuring environmental protection, while also creating the legal basis for preventive and corrective measures, including environmental impact assessments, monitoring systems, and sanctions against environmental violations. Beyond its regulatory function, the law is conceived as an instrument of sustainable development, aimed at reconciling economic growth with the preservation of natural capital and the improvement of quality of life. It prioritizes pollution prevention, waste management, rational use of resources, and the protection of biodiversity and sensitive ecosystems. Moreover, it establishes the legal framework for environmental planning and coordination among state institutions, while fostering public participation and awareness in environmental matters. By institutionalizing these principles, Law n°11-03 positions environmental protection as both a legal obligation and a strategic imperative for Morocco's long-term development trajectory.

Law n°49-17 (Environmental Impact Assessment Law)

Law n°49-17, promulgated on 8 August 2020, aims to reduce the adverse impacts of investment and infrastructure projects and embed environmental sustainability at the core of Morocco's economic and territorial development strategies. It amends and supplements the provisions of Law n°11-03 on environmental protection and enhancement by establishing a more rigorous, transparent, and comprehensive regime for the evaluation of the environmental consequences of public and private projects. The law defines the categories of projects subject to mandatory environmental impact assessments (EIA), sets out the procedures for their preparation, review, and approval, and strengthens the role of administrative authorities in supervising and enforcing compliance. By doing so, Law n°49-17 ensures that development initiatives are systematically assessed in light of their potential environmental risks before any authorization or implementation. In addition to procedural requirements, the law incorporates key principles of international environmental law, such as prevention, precaution, and the integration of environmental considerations into decision-making processes. It reinforces mechanisms for public participation, requiring consultation and disclosure of information to stakeholders and affected communities, thereby promoting transparency and accountability in environmental governance. Law n°49-17 also provides for monitoring and follow-up of approved projects, ensuring that mitigation measures are effectively implemented and adjusted where necessary.

Law n°24-09 (Safety of Products and Services Law)

Law n°24-09, promulgated by Dahir n°1-11-140 on August 17, 2011, establishes the legal framework for ensuring the safety and quality of industrial products and services placed on the Moroccan market. It mandates that products must comply with applicable technical regulations and standards to protect consumers and public interests. The law introduces CMIM Marking, which certifies that a product meets Moroccan regulatory requirements. The CMIM mark must be affixed visibly and indelibly to the product, packaging, or accompanying documents. During local and import control operations, those responsible for placing the product on the Moroccan market must submit a technical file containing the relevant technical dossier to prove the conformity of the products. The technical dossier must provide the following elements:

- The declaration of conformity (in Arabic or French).
- Documentation for performing conformity assessment procedure with technical requirements and specifications:
  - A general description of the product;
  - Conceptual design and manufacturing drawings and schemes of components, sub-assemblies, circuits, and the list of components and materials used;
  - Descriptions and explanations necessary for the understanding of those drawings and schemes and the operation of the product;
  - A list of the harmonized standards applied in full or in part, descriptions of the solutions adopted to meet the safety objectives of the ministerial order in case the harmonized standards have not been applied;
  - Results of design calculations made, examinations carried out.

The responsible for placing products subject to specific technical regulations on the Moroccan market must keep the technical dossier for 10 years from the date of the last placing on the market and make it available, on request, to the national authorities for inspection purpose. When a product is imported by several importers, each importer must keep the declaration of conformity concerning the batch he has imported.

Law n°13-89 (Foreign Trade Law)

Law n°13-89, promulgated on December 16, 1992, establishes the legal framework governing Morocco's foreign trade regime. It affirms the principle of freedom of import and export for goods and services, subject to limitations necessary to safeguard public morality, national security, public health, and the protection of the environment, cultural heritage, and Morocco's external financial position. Under the provisions of Law n°13-89, the entry of goods into Morocco — regardless of their origin or the customs regime applied — requires the submission of an import commitment through an authorized intermediary bank.

In addition, both imports and exports may be subject to licensing requirements if the goods fall under a specific scope provided by the Law n°13-89. The procedures and forms for obtaining import and export licenses are defined by Order No. 1675-15 of 4 June 2015, issued by the Minister Delegate to the Minister of Industry, Trade, Investment and Digital Economy, responsible for foreign trade. The law also empowers the administration to implement quality control measures based on pre-established standards and, in exceptional cases, to impose quantitative restrictions on imports and exports.

Law n°65-99 (Labour Law)

Law n°65-99, promulgated on September 11, 2003, constitutes the principal legal framework governing labor relations in Morocco. It regulates the rights and obligations of employers and employees across various domains, including employment contracts, working hours, remuneration, leave entitlements, workplace safety, and termination procedures. Under Moroccan labor law, there are two primary types of employment contracts: the Fixed-Term Contract (CDD) and the Permanent Contract (CDI). A Fixed-Term Contract (CDD) is a temporary employment agreement with a defined duration or tied to a specific task. According to Article 16 of the Moroccan Labor Code, a CDD is permitted only in specific cases, such as:

- Replacement of an employee whose contract is suspended (excluding suspensions due to strikes);
- Temporary increase in the company's workload;
- Seasonal work;
- The opening of a new company or establishment, or the launch of a new product for the first time.

The maximum duration of a CDD is one (1) year, and it may be renewed once if the initial term is less than six (6) months. If a CDD exceeds the legal limits or is used outside the permitted cases, it automatically converts into a Permanent Contract (CDI). A Permanent Contract (CDI) is the default employment arrangement in Morocco and does not have a fixed end date. It offers greater job stability and must be used whenever the employment relationship does not meet the conditions for a CDD. Termination of a CDI can only occur through resignation, dismissal for cause, or mutual agreement, and must comply with applicable notice periods and legal protections under Moroccan labor regulations.

The law sets the legal working week at 44 hours, with mandatory rest periods and overtime compensation ranging from 25% to 100% depending on the time and day worked. Employees are entitled to paid annual leave after six months of continuous service, as well as special leave for events such as marriage and birth. The Labour Law also prohibits discrimination and harassment in the workplace and mandates employers to uphold health, safety, and dignity standards. It outlines procedures for disciplinary and economic dismissals, requires written notification for terminations, and provides for severance pay based on seniority. Additionally, the law affirms the constitutional right to unionize and establishes mechanisms for collective bargaining at company, sector, and national levels.