
REGULATORY OVERVIEW

This section sets out a summary of the most significant aspects of the PRC laws and regulations which are material to our business operations.

LAWS AND REGULATIONS ON OUR PRODUCTS

Regulations on the Record-filing, Production and Sale of Toothpaste and Cosmetics

According to the Measures for the Supervision and Administration of Toothpaste (《牙膏監督管理辦法》) promulgated by the NMPA on March 16, 2023 and effective from December 1, 2023, provincial-level drug supervision and administration departments shall be responsible for the record-filing administration of toothpastes, and no toothpaste may be marketed or sold prior to the completion of the record-filing. Efficacy claims of toothpastes shall be supported by a sufficient scientific basis. Toothpaste record-filers shall publish summaries of the literature, research data, or product efficacy evaluation materials on which the efficacy claims are based on the record-filing information service platform. The NMPA shall formulate, publish, and adjust the toothpaste classification catalog based on factors such as the efficacy claims and target users of the toothpaste. The scope of efficacy claims and terminology for toothpastes shall comply with the requirements of laws, regulations, mandatory national standards, technical specifications, and the NMPA. The efficacy claims evaluation of toothpastes shall comply with the relevant requirements for quality safety and efficacy claims evaluation as stipulated by laws, regulations, mandatory national standards, technical specifications, and the NMPA, ensuring the scientificity, accuracy, and reliability of the efficacy claims evaluation results. To engage in toothpaste production activities, an application shall be made to the drug supervision and administration department of the province, autonomous region, or municipality directly under the Central Government where the entity is located to obtain a production license in accordance with the law. Toothpaste record-filers and entrusted production enterprises shall establish a production quality management system and organize production in accordance with the requirements of the Good Manufacturing Practice for Cosmetics. Non-toothpaste products shall not deceive or mislead consumers by labeling with the word “toothpaste” or by other means. Toothpaste products claiming to be suitable for children shall comply with the provisions regarding children’s toothpaste in laws, administrative regulations, mandatory national standards, technical specifications, etc., and shall be labeled on the product labels in accordance with the provisions of the NMPA. For the supervision and administration of toothpastes, where these Measures are silent, the provisions of the Measures for the Administration of the Registration and Recordation of Cosmetics (《化妝品註冊備案管理辦法》), the Measures for the Supervision and Administration of Production and Operation of Cosmetics (《化妝品生產經營監督管理辦法》), and other relevant regulations shall apply *mutatis mutandis*.

Pursuant to the Measures for the Administration of the Registration and Recordation of Cosmetics (《化妝品註冊備案管理辦法》) (Order No. 35 of the State Administration for Market Regulation), which became effective on May 1, 2021, a registrant or recordation entity of cosmetics and new cosmetic ingredients shall, when applying for registration or undergoing recordation formalities, comply with the requirements of applicable laws, administrative regulations, compulsory national standards and technical specifications, be responsible for the veracity and scientificity of the materials submitted, and comply with the requirements of the following regulations including but not limited to the Administrative Provisions of Cosmetics Registration and Filing Documents (《化妝品註冊備案資料管理規定》) (Announcement No. 32 of 2021 of the NMPA), the Administrative Provisions on Materials for Registration and Record Filing of New Cosmetic Ingredients (《化妝品新原料註冊備案資料管理規定》) (Announcement No. 31 of 2021 of the NMPA), the Classification Rules and Catalog of Cosmetics (《化妝品分類規則和分類目錄》) (Announcement No. 49 of 2021 of the NMPA), the Technical Guideline for Safety Assessment of Cosmetics (Version 2021) (《化妝品安全評估技術導則(2021年版)》) (Announcement No. 51 of 2021 of the NMPA), the Standards for Cosmetic Efficacy Claim Evaluation (《化妝品功效宣稱評價規範》) (Announcement No. 50 of 2021 of the NMPA), all of which became

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effective on May 1, 2021, the Supervision and the Administration Measures of Children’s Cosmetics (《兒童化妝品監督管理規定》) (Announcement No. 123 of 2021 of the NMPA), which became effective on January 1, 2022, and the Specifications for the Implementation of Cosmetics Registration and Filing Inspection (《化妝品註冊和備案檢驗工作規範》) (Announcement No. 72 of 2019 of the NMPA), which became effective on September 3, 2019. The registrants and recordation entity of cosmetics and new cosmetic ingredients shall perform the obligations of product registration or recordation formalities in accordance with the laws and be responsible for the quality and safety of cosmetics and new cosmetic ingredients.

Pursuant to the Notice of the State Food and Drug Administration on Issuing the Provisions on the Acceptance of Cosmetic Administrative Licensing Application (《國家食品藥品監督管理局關於印發〈化妝品行政許可申報受理規定〉的通知》) (Guo Shi Yao Jian Xu [2009] No. 856), which became effective on April 1, 2010, and the Notice of the State Food and Drug Administration on Strengthening the Administration of the Recordation of Domestic Non-special Use Cosmetics (《國家食品藥品監督管理局關於加強國產非特殊用途化妝品備案管理工作的通知》) (Guo Shi Yao Jian Xu [2009] No. 118), which became effective on April 3, 2009, domestic special-use cosmetics are subject to administrative licensing management, and domestic non-special-use cosmetics are subject to recordation administration.

Pursuant to the Administrative Provisions of Cosmetics Registration and Filing Documents (《化妝品註冊備案資料管理規定》) (Announcement No. 32 of 2021 of the NMPA), which became effective on May 1, 2021, when applying for the registration of special cosmetics, a human efficacy test report that meets the relevant regulations on the evaluation of cosmetic efficacy claims should be submitted. Manufacturers of ordinary cosmetics that have obtained the product quality management system qualification certificate issued by the governmental regulatory authorities of the country or region where they are located, and the product safety assessment results can fully confirm the safety of the products, may be exempted from submitting the toxicological test report for ordinary cosmetics, except for the following circumstances: (i) the relevant products are intended for use by infants and children; (ii) the products use new cosmetic ingredients that are still under safety monitoring; or (iii) pursuant to the quantitative grading scoring results, the registrant, domestic responsible person and manufacturer of the products are classified as key supervision objects. For ordinary cosmetics that belong to the above circumstances and special cosmetics required by China’s relevant laws and regulations, enterprises should submit toxicological test reports, while other ordinary cosmetics may be exempted from submitting toxicological test reports as long as they meet the above requirements.

According to the Regulation on the Supervision and Administration of Cosmetics (《化妝品監督管理條例》) promulgated by the State Council on June 16, 2020 and effective from January 1, 2021, the drug supervision and administration department shall be responsible for the supervision and administration of cosmetics. Cosmetics are classified into two categories: special cosmetics and ordinary cosmetics. Special cosmetics shall be subject to registration administration, while ordinary cosmetics shall be subject to record-filing administration. Domestic ordinary cosmetics shall be filed with the provincial drug regulatory department where the record-filer is located prior to being launched for sale, and the record-filing is completed once the record-filer has submitted the prescribed relevant materials through the drug regulatory department’s online platform. In particular, with respect to toothpaste, it shall be managed in accordance with the relevant regulations for ordinary cosmetics, and toothpaste record-filers may, after conducting efficacy evaluations based on national and industry standards, claim efficacies such as anti-caries, inhibition of dental plaque, anti-dentin sensitivity, and relief of gum problems. Specific measures for the administration of toothpaste shall be formulated by the drug regulatory department under the State Council and submitted to the market regulatory department for review, approval, and promulgation.

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According to the Announcement of the NMPA on Issuing the Provisions on the Supervision and Administration of Children’s Cosmetics (《國家藥監局關於發佈〈兒童化妝品監督管理規定〉的公告》) promulgated on September 30, 2021 and effective from January 1, 2022, provisions concerning children’s cosmetics, other than the labeling requirements, shall be implemented from January 1, 2022. Effective from May 1, 2022, children’s cosmetics undergoing record-filing must be labeled in accordance with the Provisions on the Supervision and Administration of Children’s Cosmetics (hereinafter referred to as the “Provisions”). If children’s cosmetics previously filed have not been labeled in accordance with the Provisions, the record-filer shall update the product labels by May 1, 2023, to comply with such provisions. According to the Provisions, “children’s cosmetics” refer to cosmetics that are suitable for children aged 12 and under, which have functions such as cleansing, moisturizing, body refreshing, and sun protection. Products labeled with “suitable for all people”, “for family use”, and other terms, or products that imply the target users include children through trademarks, patterns, homophones, letters, Pinyin, numbers, symbols, or packaging, shall be managed as children’s cosmetics. Children’s cosmetics shall display the children’s cosmetics mark prescribed by the NMPA on the display surface of the sales packaging. Children’s cosmetics shall undergo product safety evaluation through safety assessments and necessary toxicological tests. Labels of children’s cosmetics shall not be marked with words such as “food-grade” and “edible” or food-related patterns. In particular, the Provisions mention that children’s toothpaste shall be managed with reference to the Provisions *mutatis mutandis*.

According to the Measures for the Supervision and Administration of Production and Operation of Cosmetics promulgated by the SAMR on August 2, 2021 and effective from January 1, 2022, cosmetics registrants and record-filers may produce cosmetics on their own or entrust other enterprises for production. In the case of entrusted production of cosmetics, the cosmetics registrant or record-filer shall entrust a production enterprise that has obtained the corresponding cosmetics production license, supervise the entire process of its production activities, and be responsible for the quality and safety of the cosmetics produced under entrustment.

Pursuant to the Safety and Technical Specification for Cosmetics (Version 2015) (《化妝品安全技術規範(2015年版)》) (Announcement No.268 of 2015 of the China Food and Drug Administration), which became effective on December 1, 2016, the production of cosmetics shall comply with the requirements of the specifications for the production of cosmetics, and the production process of cosmetics shall be scientific and reasonable to ensure product safety. Cosmetics shall be inspected before they are marketed, and cosmetics shall meet the relevant requirements for product quality and safety, and are allowed to leave the factory after passing the examination.

Pursuant to the Measures for the Administration of Cosmetic Labels (《化妝品標籤管理辦法》) (Announcement No. 77 of 2021 of the NMPA), which became effective on May 1, 2022, the smallest sales unit of cosmetics shall be labeled. The labels shall comply with the requirements of the relevant laws, administrative regulations, departmental rules, compulsory national standards and technical specifications. The contents of the labels shall be lawful, authentic, complete and accurate and consistent with the relevant contents registered or filed for record.

Pursuant to the Measures for the Supervision and Administration of Online Operation of Cosmetics (《化妝品網絡經營監督管理辦法》) (Announcement No. 36 of 2023 of the National Medical Products Administration), which became effective on September 1, 2023, cosmetic e commerce platform operators shall be responsible for managing cosmetic distributors on the platform in accordance with law, and shall establish and effectively implement cosmetic quality and safety management systems, such as real name registration, daily inspection, illegal behavior suppression and reporting, and complaint and report handling. Cosmetics distributors on the platform shall establish and implement a purchase inspection record system, check the direct supplier’s market entity registration certificate, special cosmetics

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registration certificate or ordinary cosmetics filing information, cosmetics product quality inspection certificate, and keep relevant certificates. Cosmetics distributors on the platform shall perform the obligation of cosmetics information disclosure, disclose cosmetics labels and other information consistent with the registration or filing materials in a comprehensive, true, accurate, clear and timely manner, actively cooperate with cosmetic e-commerce platform operators to carry out quality and safety management activities such as daily inspection, self-inspection of regulatory disclosure information, and shall store and transport cosmetics in accordance with the provisions of relevant laws and regulations and the requirements of cosmetic labels, regularly check and timely deal with cosmetics that have deteriorated or exceeded their use-by date.

LAWS AND REGULATIONS ON THE ADMINISTRATION OF MEDICAL DEVICES

The primary regulatory authority for our business operations in China is the National Medical Products Administration (“NMPA”) and its local branches, formerly known as the China Food and Drug Administration (“CFDA”) and its local branches.

Classification of Medical Devices

According to the Regulations for the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) (the “**Medical Device Regulations**”) promulgated by the State Council on January 4, 2000 and most recently amended on December 6, 2024, the PRC implements classified management of medical devices, which are classified into Class I, Class II and Class III, representing their degree of risk from low to high. Class I medical devices shall be subject to product record-filing administration, while Class II and Class III medical devices shall be subject to product registration administration.

Medical Device Record-filing

For the record-filing of Class I medical devices, the record-filer shall submit record-filing documents to the department responsible for drug supervision and administration under the municipal people’s government of the city divided into districts where it is located. The record-filing shall be completed upon submitting the prescribed record-filing documents that comply with the provisions of these Regulations. The department responsible for drug supervision and administration shall, within 5 working days from the date of receipt of the record-filing documents, disclose the relevant record-filing information to the public through the online government service platform of the drug supervision and administration department under the State Council. Where there is any change in the matters set out in the record-filing documents, a change of the record-filing shall be made with the original record-filing department.

Post-marketing Quality Supervision

According to the Provisions for Medical Device Adverse Event Monitoring and Re-evaluation (《醫療器械不良事件監測和再評價管理辦法》) promulgated on August 13, 2018 and effective from January 1, 2019, medical device marketing authorization holders are obligated to collect information on medical device adverse events and report them to monitoring technical institutions in a timely manner.

According to the Measures for the Administration of Medical Device Recalls (《醫療器械召回管理辦法》) promulgated on January 25, 2017 and effective from May 1, 2017, medical device manufacturing enterprises are the primary responsible entities for controlling and eliminating product defects and shall proactively implement recalls for defective products.

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Sale of Medical Devices

Medical Device Operation Licensing and Record-filing

According to the Measures for the Supervision and Administration of Medical Device Business (《醫療器械經營監督管理辦法》) promulgated by the CF DA on July 30, 2014 and most recently amended on November 17, 2017, and the measures of the same name promulgated by the SAMR on March 10, 2022 and effective from May 1, 2022, which replaced the original measures, the operation of Class III medical devices shall be subject to licensing administration, the operation of Class II medical devices shall be subject to record-filing administration, and the operation of Class I medical devices is not subject to licensing or record-filing requirements. Matters concerning the record-filing for operation of medical devices shall be the responsibility of the department responsible for drug supervision and administration of the city divided into districts where the operating enterprise is located. Where there is any change in the business premises, mode of operation, scope of business, or warehouse address of an enterprise engaged in the operation of Class II medical devices, such enterprise shall undergo a change of the record-filing in a timely manner. Where necessary, the department responsible for drug supervision and administration of the city divided into districts shall conduct on-site inspections. Where an on-site inspection reveals non-compliance with the requirements of the Good Supply Practice for Medical Devices, an order shall be made for rectification within a prescribed time limit; where the safety and effectiveness of the products cannot be guaranteed, the record-filing shall be canceled and an announcement shall be made to the public.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), as most recently amended by the Standing Committee of the National People’s Congress on December 29, 2018 and effective from the same date, the market supervision and administration department under the State Council is responsible for the supervision of product quality nationwide, and the production and sale of products that do not comply with the relevant standards and requirements for safeguarding human health and the safety of property are prohibited. Products must be free from unreasonable dangers that jeopardize personal or property safety. Where personal injury or property damage is caused by a defect in a product, the aggrieved party may claim compensation from the producer or the seller. Enterprises and sellers that produce or sell substandard products may be ordered to cease production or sale, and may be subject to confiscation of products and/or imposition of fines; where there are illegal gains, such illegal gains shall also be confiscated; where the circumstances are serious, the business license may be revoked.

LAWS AND REGULATIONS ON E-COMMERCE

According to the E-Commerce Law of the People’s Republic of China (《中華人民共和國電子商務法》) promulgated by the Standing Committee of the National People’s Congress (“**NPC Standing Committee**”) on August 31, 2018 and effective from January 1, 2019, basic principles have been established for e-commerce operators engaged in business activities. According to the Law, e-commerce operators shall, in their business activities, follow the principles of voluntariness, equality, fairness, and integrity, comply with laws and business ethics, participate in market competition fairly, fulfill obligations in areas such as consumer rights protection, environmental protection, intellectual property protection, cybersecurity and personal information protection, and bear responsibility for the quality of products and services. Where an e-commerce operator fails to perform its contractual obligations or its performance of contractual obligations does not conform to the agreement, or causes damage to others, it shall bear civil liability in accordance with the law. The E-Commerce Law emphasizes the importance of ethical conduct and legal compliance within the e-commerce sector, aiming to ensure integrity, fairness, and accountability in the digital market.

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According to the Measures for the Supervision and Regulation of Online Trading Platform Rules (《網絡交易平台規則監督管理辦法》) jointly promulgated by the SAMR and the Cyberspace Administration of China on December 18, 2025 and effective from February 1, 2026, online trading platform operators shall, through the formulation, modification, and implementation of platform rules, strengthen the management of the entry into and exit from the platform by on-platform business operators, as well as of the trading activities conducted within the platform, and shall fulfill their responsibilities in accordance with the law in terms of product and service quality assurance, protection of consumer rights and interests, fair competition, credit management, information security management, online protection of minors, personal information protection, and network and data security protection.

LAWS AND REGULATIONS ON IMPORT AND EXPORT

According to the Regulation of the People’s Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), as most recently amended by the State Council on March 10, 2024 and effective from May 1, 2024, the State allows the free import and export of goods and maintains fair and orderly trade in the import and export of goods in accordance with the law. Except for imports and exports that are explicitly prohibited or restricted by laws and administrative regulations, no unit or individual shall establish or maintain measures that prohibit or restrict the import and export of goods.

According to the Customs Law of the People’s Republic of China (《中華人民共和國海關法》), as most recently amended by the NPC Standing Committee on April 29, 2021 and effective from the same date, the Customs is the government authority that supervises and manages goods entering and exiting the customs territory, and is entitled to supervise and manage means of transport, goods, luggage, postal items and other articles entering and exiting the territory, collect customs duties and other taxes and fees, investigate and suppress smuggling, and compile customs statistics and handle other customs business. Customs declaration entities refer to the consignees of imported goods, the consignors of exported goods, and customs declaration enterprises registered with the Customs. The consignee of imported goods and the consignor of exported goods may handle customs declaration procedures on their own, or may entrust an agent to handle such procedures.

According to the Provisions on the Recordation of Customs Declaration Entities of the People’s Republic of China (《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 on November 19, 2021 and effective from January 1, 2022, consignors and consignees of imported and exported goods and customs declaration enterprises shall apply to the Customs for recordation. The recordation information will be published through the “China Customs Enterprise Import and Export Credit Information Publicity Platform”.

LAWS AND REGULATIONS ON CONSUMER PROTECTION

According to the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), as most recently amended by the NPC Standing Committee on October 25, 2013 and effective from March 15, 2014, business operators providing consumers with goods produced or sold by them or providing services shall comply with the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests. Where a business operator fails to fulfill its security protection obligations to consumers, resulting in damage to consumers, it shall bear tortious liability. Where a business operator provides goods or services in violation of the relevant provisions of the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, thereby infringing upon the legitimate rights and interests of consumers and constituting a crime, criminal liability shall be pursued in accordance with the law.

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According to the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), as most recently amended by the SAMR on March 18, 2025 and effective from May 1, 2025, business activities involving the sale of goods or the provision of services through the Internet or other information networks are regulated. Business operators engaged in online transactions shall complete registration of market entities in accordance with the law (unless otherwise provided by law), truthfully disclose business licenses and product/service information, adhere to the principles of voluntariness, fairness, and integrity, and protect consumer rights and interests, and shall not operate without a license, conduct false publicity, or sell counterfeit or substandard goods. Business operators shall be subject to the supervision and inspection by market regulatory authorities.

LAWS AND REGULATIONS ON ANTI-UNFAIR COMPETITION

According to the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), as most recently amended by the NPC Standing Committee on June 27, 2025 and effective from October 15, 2025, acts of unfair competition refer to acts by business operators in their production and business activities that violate the provisions of this Law, disrupt the order of market competition, and damage the legitimate rights and interests of other business operators or consumers. Such acts include confusing behaviors, commercial bribery, false advertising, infringement of trade secrets, illegal prize-linked sales, fabricating false information to damage the commercial credit or product reputation of others, and illegal use of data and algorithms, technologies, platform rules, etc. to hinder or disrupt the normal operation of network products or services lawfully provided by other business operators, coercing pricing, and abuse of market position. Business operators in violation of the regulations shall bear civil liability for compensation, and may be subject to administrative measures such as being ordered to cease the illegal acts, confiscation, fines, and revocation of business licenses; where a criminal offense is constituted, criminal liability shall be borne.

LAWS AND REGULATIONS ON ADVERTISING

According to the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》), as most recently amended by the NPC Standing Committee on April 29, 2021 and effective from the same date, advertisements shall not contain any false or misleading content, and shall not deceive or mislead consumers. An advertisement spokesperson who provides recommendations or testimonials for goods or services in an advertisement shall do so based on facts, comply with the provisions of this Law and relevant laws and administrative regulations, and shall not provide recommendations or testimonials for goods they have not used or services they have not received. Where a business operator publishes a false advertisement in violation of the regulations, the market supervision and administration department shall order the cessation of the publication of the false advertisement, require the elimination of its impact within a corresponding scope, and impose a fine of not less than three times but not more than five times the advertising expenses; where the advertising expenses are incalculable or are clearly too low, a fine of not less than RMB 200,000 but not more than RMB1 million shall be imposed. Where there are three or more violations within two years or other serious circumstances, a fine of not less than five times but not more than ten times the advertising expenses shall be imposed; where the advertising expenses are incalculable or are clearly too low, a fine of not less than RMB1 million but not more than RMB2 million shall be imposed, the business license may be revoked, and the advertising review authority shall revoke the advertising review approval documents and shall not accept its application for advertising review for one year. If the violation reaches the threshold of a crime, legal proceedings may be initiated, and the relevant responsible parties shall bear criminal liability.

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According to the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》) promulgated by the SAMR on February 25, 2023 and effective from May 1, 2023, internet advertisements shall be identifiable and enable consumers to distinguish them as advertisements, and advertisers shall be responsible for the authenticity of the content of internet advertisements.

LAWS AND REGULATIONS ON INFORMATION SECURITY AND DATA PROTECTION

On August 20, 2021, the NPC Standing Committee promulgated the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) (“PIPL”), which came into effect on November 1, 2021. The PIPL provides (among other things) that the processing of personal information shall have a clear and reasonable purpose and shall be limited to the minimum scope necessary to achieve the processing purpose, adopting the method that has the least impact on personal rights and interests, and personal information not directly related to the processing purpose shall not be processed.

On June 10, 2021, the NPC Standing Committee promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) (“DSL”), which came into effect on September 1, 2021. The DSL primarily sets out specific provisions for the establishment of basic systems for data security management, including a data classification and hierarchical protection system, a risk assessment system, a monitoring and early warning mechanism, and an emergency response mechanism, among others. In addition, this Law clarifies the data security protection obligations of organizations and individuals carrying out data processing activities and implementing data security protection responsibilities. The DSL also stipulates measures to support and promote data security and development, establishing and improving the national data security management system, and implementing the data security responsibilities of organizations and individuals.

On November 7, 2016, the NPC Standing Committee promulgated the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), as most recently amended on October 28, 2025 and effective from January 1, 2026. According to this Law, network operators must fulfill cybersecurity protection obligations when carrying out business and service activities. The construction and operation of networks or the provision of services through networks shall, in accordance with the provisions of laws, administrative regulations, and the mandatory requirements of national standards, involve the adoption of technical measures and other necessary measures to ensure the secure and stable operation of networks, effectively respond to cybersecurity incidents, prevent illegal and criminal activities on networks, and maintain the integrity, confidentiality, and availability of network data. Network operators shall not collect personal information unrelated to the services they provide, nor shall they collect or use personal information in violation of laws, administrative regulations, or agreements with users.

On December 28, 2021, the Cyberspace Administration of China (“CAC”) and several other regulatory authorities of China jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. According to Article 2 of the Measures, where critical information infrastructure operators purchase network products and services, or network platform operators conduct data processing activities, which affect or may affect national security, a cybersecurity review shall be conducted. According to Article 7 of the Measures, network platform operators possessing the personal information of more than 1 million users must apply to the Cybersecurity Review Office for a cybersecurity review before seeking a listing abroad.

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LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Trademark Law

Registered trademarks are protected under the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) promulgated on August 23, 1982, most recently amended on April 23, 2019, and effective from November 1, 2019, and relevant rules and regulations. Trademarks are registered with the China National Intellectual Property Administration. An application for trademark registration may be rejected if the trademark proposed for registration is identical or similar to a trademark that has been registered or preliminarily examined and approved for use on the same or similar categories of goods or services. The validity period of trademark registration is 10 years, unless otherwise revoked.

Patent Law

According to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》) promulgated by the NPC Standing Committee on March 12, 1984, most recently amended on October 17, 2020, and effective from June 1, 2021, and the Implementing Regulations of the Patent Law of the People’s Republic of China (《中華人民共和國專利法實施細則》) promulgated by the China Patent Office on January 19, 1985, most recently amended by the State Council on December 11, 2023, and effective from January 20, 2024, there are three types of patents: “invention”, “utility model” and “design”. “Invention” refers to any new technical solution proposed for a product, a process or an improvement thereof; “utility model” refers to any new technical solution relating to the shape, the structure, or their combination, of a product, which is fit for practical use; and “design” refers to any new design, in its entirety or in part, of the shape, the pattern or their combination, or the combination of the color and shape or pattern, of a product, which creates an esthetic feeling and is fit for industrial application. The term “invention” patent rights shall be twenty years, the term of “utility model” patent rights shall be ten years, the term of “design” patent rights for applications filed on or after May 31, 2021 shall be fifteen years; the term of “design” patent rights for applications filed before May 31, 2021 shall be ten years, all commencing from the date of application.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology of the People’s Republic of China on August 24, 2017 and effective from November 1, 2017, as well as the Implementing Rules of China ccTLD Registration (《國家頂級域名註冊實施細則》) and the CNNIC ccTLD Dispute Resolution Policy Rules (《國家頂級域名爭議解決程序規則》) promulgated by the China Internet Network Information Center on June 18, 2019 and effective from the same date, domain name registration services shall, in principle, be implemented on a “first-come, first-served” basis; where the relevant implementing rules for domain name registration provide otherwise, such provisions shall prevail. Applicants shall be deemed domain name holders upon registration. Domain name disputes shall be accepted and resolved by domain name dispute resolution institutions recognized by the China Internet Network Information Center.

Copyright

According to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) promulgated by the NPC Standing Committee on September 7, 1990, most recently amended on November 11, 2020, and effective from June 1, 2021, Chinese citizens, legal persons, or unincorporated organizations enjoy copyright in their works (whether published or not), including written works, oral works, musical, dramatic, quyi, choreographic and acrobatic art works, works of fine art and architecture, photographic works, audiovisual works, graphic works and model works (such as

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engineering design drawings, product design drawings, maps, and schematic diagrams), computer software, and other intellectual achievements that conform to the characteristics of a work. Copyright includes the following personal rights and property rights: the right of publication, the right of authorship, the right of revision, the right to protect the integrity of the work, the right of reproduction, the right of distribution, the right of rental, the right of exhibition, the right of performance, the right of screening, the right of broadcasting, the right of communication through information networks, the right of cinematography, the right of adaptation, the right of translation, the right of compilation, and other rights to which a copyright owner is entitled.

Software Copyright

According to the Copyright Law of the People’s Republic of China promulgated by the NPC Standing Committee in 1990 and amended in 2001, 2010 and 2020, respectively, Chinese citizens, legal persons or unincorporated organizations enjoy copyright (including in computer software) in their works in accordance with the law, regardless of whether such works are published.

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991 and amended in 2001 and 2013, respectively, are intended to protect the rights and interests of computer software copyright holders, regulate the relationship of interests in the process of development, dissemination and use of computer software, encourage the development and application of computer software, and promote the development of the software industry and the informatization of the national economy. According to the Regulations on the Protection of Computer Software, citizens, legal persons, or other organizations of the People’s Republic of China shall enjoy copyright in accordance with the law for software developed by them (whether published or not). A software copyright owner may register with a software registration institution recognized by the copyright administration department of the State Council. The registration certificate issued by the software registration authority is prima facie evidence of the registered matters. The software copyright of a legal person or other organization shall have a protection period of 50 years, ending on December 31 of the 50th year after the first publication of the software; however, if the software has not been published within 50 years from the date of its development, it shall no longer be protected.

LAWS AND REGULATIONS ON LEASING

According to the Law of the People’s Republic of China on the Administration of Urban Real Estate (Order No. 32 of the President of the People’s Republic of China) (《中華人民共和國城市房地產管理法》(中華人民共和國主席令第32號)), which came into effect on January 1, 2020, when leasing a building, the lessor and the lessee shall enter into a written lease contract, agreeing on terms such as the lease term, use of the property, rent, and responsibility for repairs, as well as other rights and obligations of both parties. Both the lessor and the lessee shall register the lease with the real estate administration department.

According to the Civil Code of the People’s Republic of China, a lessee may, with the consent of the lessor, sublease the leased property to a third party. Where the lessee subleases the leased property, the lease contract between the lessee and the lessor shall remain valid; where a third party causes loss to the leased property, the lessee shall compensate for the loss. If the lessee subleases the leased property without the consent of the lessor, the lessor may terminate the contract. Where a lessee subleases the leased property to a third party with the consent of the lessor, and the sublease term exceeds the remaining lease term of the lessee’s lease, the agreement for the exceeding part shall not be legally binding on the lessor, unless otherwise agreed between the lessor and the lessee.

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According to the Administrative Measures for Commodity Housing Leasing (Order No. 6 of the Ministry of Housing and Urban-Rural Development of the People’s Republic of China) (《商品房屋租賃管理辦法》(中華人民共和國住房和城鄉建設部令第6號)), which came into effect on February 1, 2011, parties to a housing lease shall enter into a lease contract in accordance with the law, and the lease contract shall be filed for registration with the relevant construction or real estate competent authorities at the municipal or county level within thirty days after its execution. Where there is a change in the contents of the housing lease registration and filing, a renewal of the lease, or a termination of the lease, the parties shall, within thirty days, undergo the procedures for the amendment, renewal, or cancellation of the housing lease registration and filing with the department where the original lease registration and filing was handled.

LAWS AND REGULATIONS ON LABOR

Labor Relations

The Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), promulgated by the NPC Standing Committee on June 29, 2007, most recently amended on December 28, 2012, and effective from July 1, 2013, sets out provisions for the establishment of labor relations between Chinese enterprises, individual economic organizations, and private non-enterprise units, etc., and laborers, as well as the conclusion, performance, modification, rescission, or termination of labor contracts, provides relevant detailed requirements for the terms and content of labor contracts signed by both parties, and stipulates the maximum daily and weekly working hours and the monthly minimum wage.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) promulgated by the NPC Standing Committee on October 28, 2010, most recently amended on December 29, 2018, and effective from the same date, employers must make contributions to several social security funds on behalf of their employees, including funds for basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, and maternity insurance. Where an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order it to make the payment or make up the deficiency within a prescribed time limit, and shall impose a late payment fee at a daily rate of 0.05% of the outstanding amount from the date of default; where payment is still not made within the prescribed time limit, the relevant administrative department shall impose a fine of not less than one time but not more than three times the outstanding amount.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, most recently amended on March 24, 2019, and effective from the same date, an entity shall conduct registration for payment and deposit of housing provident fund with the housing provident fund management center, and go through the procedures for the establishment of housing provident fund accounts for its employees. Where an entity fails to register for housing provident fund contributions or fails to establish housing provident fund accounts for its employees, the housing provident fund management center shall order it to do so within a prescribed time limit; where it fails to do so within the prescribed time limit, a fine of not less than RMB10,000 and not more than RMB50,000 shall be imposed. Where an entity fails to pay or underpays the housing provident fund by the prescribed deadline, the housing provident fund management center shall order it to make the payment and deposit within a designated time limit; where the payment and deposit are still not made upon the expiration of the time limit, an application may be made to the People’s Court for compulsory enforcement.

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LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) was promulgated by the National People’s Congress on March 15, 2019 and effective from January 1, 2020, which replaced the three then-existing laws on foreign investment in China, namely, the Law of the People’s Republic of China on Sino-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People’s Republic of China on Sino-Foreign Cooperative Joint Ventures (《中華人民共和國中外合作經營企業法》), and the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》). Taking into account the protection of investment and fair competition, the Foreign Investment Law establishes a basic framework for the access, promotion, protection, and administration of foreign investment through legislation.

The National Development and Reform Commission and the Ministry of Commerce jointly promulgated the latest Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施（負面清單）》) (“**Negative List**”) on September 6, 2024, which came into effect on November 1, 2024, to replace the previous encouraged category catalog and negative list. According to the Foreign Investment Law, foreign investment shall enjoy pre-establishment national treatment, except for those foreign investment entities in industries deemed as “restricted” or “prohibited” under the Special Administrative Measures (Negative List) for the Access of Foreign Investment promulgated and approved by the State Council.

To ensure the effective implementation of the Foreign Investment Law, the Implementing Rules of the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法實施條例》) was promulgated by the State Council on December 26, 2019 and effective from January 1, 2020, further clarifying that the state encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investors, regulates the management of foreign investment, continues to optimize the foreign investment environment, and promotes a higher level of opening up.