
REGULATORY OVERVIEW

PRC LAWS AND REGULATIONS

We are subject to a variety of PRC laws, regulations and rules affecting many aspects of our business. This section summarizes major PRC laws, regulations and rules that are relevant to our business operations.

COMPANY AND FOREIGN INVESTMENT

The PRC Company Law (中華人民共和國公司法), which was promulgated by the Standing Committee of the PRC National People’s Congress, or the SCNPC, and last revised on December 29, 2023 and became effective on July 1, 2024, applies to both PRC domestic companies and foreign-invested enterprises with respect to their establishment, organizational structure and management, etc. Under the PRC Company Law, a listed company shall disclose information about its shareholders and ultimate controllers, and such information must be true, accurate and complete. The PRC Company Law also stipulates the qualifications and obligations of a company’s directors and senior managers.

On March 15, 2019, the PRC National People’s Congress, or the NPC, adopted the PRC Foreign Investment Law (中華人民共和國外商投資法) (the “Foreign Investment Law”), which became effective on January 1, 2020. The Foreign Investment Law is applicable to the foreign investments within the territory of the PRC, including the investment activities directly or indirectly conducted by a foreign enterprise. Moreover, investments to be made by foreign investors and foreign-owned enterprises in the PRC shall comply with the Special Administrative Measures (Negative List) for Access of Foreign Investments (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024年版)) (the “Negative List”), which was promulgated on September 6, 2024 by the NDRC, and the MOFCOM, and became effective on November 1, 2024. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

On December 30, 2019, the MOFCOM and the SAMR, jointly promulgated the Measures for Reporting of Foreign Investment Information (外商投資信息報告辦法), which became effective on January 1, 2020. Pursuant to these Measures, where a foreign investor directly or indirectly carries out investment activities in the PRC, the foreign investor or the foreign-invested enterprise shall submit investment information, including initial reports, change reports, cancellation reports, and annual reports, etc., to the competent commercial authority for further handling.

COMMERCIAL FRANCHISE OPERATIONS

State Council promulgated Administrative Regulations on Commercial Franchise Operations (商業特許經營管理條例) on February 6, 2007, which became effective on May 1, 2007. Commercial franchise operations referred to in this Regulation shall mean a grant by an enterprise owner of registered trademarks, enterprise logos, patents, proprietary technologies or other business resources to another business operator to use such business resources owned by the franchisor through a contractual arrangement, where the franchisee operates the business according to a uniform business model stipulated under the contract and pays the franchisor franchising fees. A franchisor shall file records with the commerce administrative authorities within 15 days upon conclusion of the first franchise contract pursuant to the provisions of these Regulations. Franchisors engaging in franchise operations across provinces, autonomous regions and centrally-administered municipalities shall file records with the commerce administrative authorities of the State Council. Where a franchisor fails to file records with the commerce administrative authorities to file records within a stipulated period, the commerce administrative authorities shall order the franchisor to file records within a stipulated period, impose a fine ranging from RMB10,000 to RMB50,000.

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The Ministry of Commerce (the “MOC”) promulgated the Administrative Measures on Information Disclosure of Commercial Franchise (商業特許經營信息披露管理辦法), which became effective on April 1, 2012. Franchisors shall disclose information in writing to a franchisee pursuant to the provisions of the Regulations at least 30 days prior to the date of execution of the commercial franchise contract.

FOOD SAFETY AND PRODUCTION

Food Safety

On February 28, 2009, the SCNPC promulgated the PRC Food Safety Law (中華人民共和國食品安全法) (the “Food Safety Law”), which came into effect on June 1, 2009, last amended on September 12, 2025 and will take effect on December 1, 2025. On July 20, 2009, the State Council promulgated the Implementing Regulations of the Food Safety Law (中華人民共和國食品安全法實施條例), which was last amended on October 11, 2019 and came into effect on December 1, 2019. According to the Food Safety Law as amended on April 29, 2021 and the Implementing Regulations of the Food Safety Law, food producers and operators shall engage in food production and operation activities in compliance with these laws, regulations and food safety standards, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, thus ensuring food safety.

Moreover, the PRC has established a food safety traceability system. According to the applicable laws and regulations above, food producers and operators shall establish a whole-process food safety traceability system, and truthfully record and keep information on procurement inspection, pre-delivery examination, food sales, etc. in accordance with the requirements, so as to ensure the traceability of food products.

On December 24, 2021, the SAMR published the Measures for the Administration of Supervision and Inspection of Food Production and Marketing (食品生產經營監督檢查管理辦法), which became effective on March 15, 2022. The Measures require that food producers or traders shall be responsible for the safety of the food they produce or market, and actively cooperate with the SAMR in carrying out supervision and inspection.

Food Production and Operation Licensing

According to the Food Safety Law and the Implementing Regulations of the Food Safety Law, the PRC implements a licensing system for the food production, food operation and food additives. Enterprises engaging in food production, sales and catering services shall obtain permits in accordance with law.

According to the Administrative Measures of Food Production Licensing (食品生產許可管理辦法), which was promulgated by the State Food and Drug Administration on August 31, 2015, last amended on January 2, 2020 by the SAMR and came into effect on March 1, 2020, food production licensing is based on the principle of one license for one entity, which means the same food producer engaging in food production activities shall obtain one food production permit. The relevant authorities shall implement classified licensing for food production according to the risk level of the food.

According to the Measures for the Administration of Food Operation Licensing and Registration (食品經營許可和備案管理辦法), promulgated by the SAMR on June 15, 2023 and coming into effect on December 1, 2023, the SAMR shall be responsible for guiding the national administration of food operation licensing and registration. Except for certain statutory circumstances, anyone who engages in food sales and catering services within the territory of the PRC shall obtain a food operation permit in accordance with law. One who only sells prepackaged food shall make registration with the local market regulatory department at or above the county level where it is located. Food operators engaging in food business activities at different business

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locations shall obtain food operation permits or make registrations separately in accordance with law. Applications for food operation permits shall be made based on the main business forms of the applicants and the categories of the business items.

Food production permits and food operation permits are valid for five years. If the production or operation conditions of a food producer or operator change and no longer satisfy the requirements for food production or operation, the food producer or operator shall immediately take corrective measures and shall re-apply for the permit in accordance with law if necessary. For packaging materials with direct contact with food and other food-related products with higher risks, the production licensing shall be implemented in accordance with the relevant administrative provisions of the State on production licenses for industrial products. A food producer or operator engaging in food production and operation activities without obtaining a food production permit or a food operation permit may be subject to confiscation of illegal gains, illegally produced and operated food and food additive products, and tools, facilities and raw materials used for illegal production and operation. In addition, it may be subject to fines, orders of suspension of production and/or operation, detention, or even criminal penalties.

According to the Edible Fungus Strains Management Measures (食用菌菌種管理辦法), promulgated by the Ministry of Agriculture of the PRC (now defunct) on March 27, 2006 last amended on April 29, 2015 and became effective on the same day, entities and individuals engaged in the production and operation of edible fungus strains must obtain an Edible Fungus Strains Production and Operation License.

Food Recall System

In accordance with the Food Safety Law, the State has launched a food recall system. Upon discovery of the food produced not conforming to food safety standards or if there is evidence that the food produced may harm human health, the food producer must immediately cease production, recall the food that has been put on the market, notify the relevant food producers, operators and consumers, and keep records of the recall and notification status.

Pursuant to the Measures for the Administration of Food Recalls (食品召回管理辦法) promulgated by the China Food and Drug Administration (now the SAMR) on March 11, 2015 last amended on October 23, 2020 and became effective on the same day, food producers and operators shall assume primary responsibilities for food safety, establish and improve relevant management systems, collect and analyze food safety information, and fulfill the obligations to suspend the production and operation, recall, and disposal of unsafe food. Where food producers or operators find that their produced or operated food products are unsafe, they must immediately cease the production and operation, urge the customers to stop consumption by way of notices or announcements, and take necessary measures to prevent food safety risks.

Food producers and operators who violate the provisions on the suspension of production and operation, recall and disposal of unsafe food products may be subject to warnings, fines and other punishments from the market supervision and management department.

Food Labeling Management

According to the Food Safety Law, prepackaged food shall be labeled. The labels shall include the following items: (1) name, specification, net weight, and production date; (2) content or ingredient table; (3) name, address, and contact information of the producer; (4) best before date; (5) the standards code of the product; (6) storage conditions; (7) generic names of food additives used under the national standards; (8) the production license number; and (9) other items that are required by laws, regulations and food safety standards. Food operators shall sell food products in accordance with warning marks, warning specifications or cautions stated on labels thereof.

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In order to better implement the relevant provisions of the Food Safety Law, on April 20, 2011, the Ministry of Health of the PRC (now the National Health Commission of the PRC, or the “NHC”) issued the National Food Safety Standard General Rules for the Labeling of Prepackaged Food (食品安全國家標準預包裝食品標籤通則) (GB 7718-2011) (the “Standard General Rules”), which came into effect on April 20, 2012. On March 16, 2025, the NHC and SAMR issued the National Food Safety Standard General Rules for the Labeling of Prepackaged Food (食品安全國家標準預包裝食品標籤通則) (GB 7718-2025) (the “Revised Standard General Rules”), which revised and further standardized, among other things, the basic requirements for food labeling, the labeling method of food additives, the classification and labeling of the ingredient list, and the labeling requirements for food containing allergenic substances. The Revised Standard General Rules will become effective on March 16, 2027.

PRODUCTION SAFETY

On June 29, 2002, the SCNPC promulgated the PRC Production Safety Law of the PRC (中華人民共和國安全生產法) (the “Production Safety Law”), which was last amended on June 10, 2021 and became effective on September 1, 2021. In accordance with the Production Safety Law, the PRC implements a system of accountability for production safety accidents. Production and operation units must implement national or industry standards formulated in accordance with the law to ensure safe production, and provide safe production conditions that meet the requirements of laws, administrative rules, and national or industry standards. Production and business units shall set up conspicuous safety warning signs in production and business sites and relevant facilities and equipment with relatively high potential hazard. The design, manufacture, installation, use, testing, maintenance, transformation, and scrapping of safety equipment shall comply with national or industry standards.

PRODUCT QUALITY AND PRODUCT LIABILITY

On February 22, 1993, the SCNPC promulgated the Product Quality Law of the PRC (中華人民共和國產品質量法) (the “Product Quality Law”), which was last amended and took effect on December 29, 2018. According to the Product Quality Law, producers and sellers shall establish and improve their internal product quality management systems, and rigorously implement job post-related quality standards, and quality responsibilities and corresponding measures for their assessment. Both producers and sellers shall be responsible for product quality in accordance with law. The State, with respect to product quality, adopts a supervision and inspection system with random inspection as the main method. The products that may endanger human health and personal or property safety, the important industrial products that influence the national economy and the people’s livelihood, and the products that have been reported by consumers or relevant organizations as defective in quality are subject to random inspection. No producer or seller may reject any supervision or inspection over product quality that is carried out in accordance with the law.

Pursuant to the PRC Civil Code (中華人民共和國民法典) promulgated by the NPC on May 28, 2020 and effective as of January 1, 2021, a manufacturer shall bear tort liability if its product causes damage to others due to a defect. If a defect is found in a product after it has been put into circulation, the manufacturer and the seller shall take remedial measures in a timely manner including withdrawal from sale, alerts, and recalls. In the event of expanded damage arising from a failure to take remedial measures in a timely manner or inadequate remedial measures, the manufacturer and the seller shall also be liable for the aggravated part of the damage.

PROTECTION OF CONSUMER RIGHTS AND INTERESTS

On October 31, 1993, the SCNPC promulgated the Consumer Rights and Interests Protection Law of the PRC (中華人民共和國消費者權益保護法) (the “Consumer Rights and Interests Protection Law”), which was last amended on October 25, 2013 and became effective on March 15,

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2014. On March 15, 2024, the State Council promulgated the Regulation on the Implementation of the Consumer Rights and Interests Protection Law of the PRC (中華人民共和國消費者權益保護法實施條例), which was implemented on July 1, 2024.

According to the Consumer Rights and Interests Protection Law, consumers, when purchasing and utilizing commodities or receiving services, enjoy the inviolable right of personal and property safety. Consumers have the right to demand the operators to provide commodities or services in compliance with the requirements of ensuring personal and property safety. Business operators shall adhere to the principle of voluntariness, equality, fairness, honesty and credibility when dealing with consumers. Consumers who suffer personal or property damages as a result of purchasing or utilizing goods or receiving services are entitled to compensation in accordance with the law.

ADVERTISEMENT

On October 27, 1994, the SCNPC promulgated the Advertising Law of the PRC (中華人民共和國廣告法) (the “Advertising Law”), which was last amended on April 29, 2021 and became effective on the same day. According to the Advertising Law, advertisements shall not have any false or misleading content, or defraud or mislead consumers. An advertiser shall be responsible for the veracity of the contents of advertisement. Where a false advertisement is published, the market regulatory department shall order cessation of publishing the advertisement, order the advertiser to eliminate adverse effects within the corresponding extent, and impose a fine. Where a false advertisement has caused any damage to the lawful rights and interests of consumers who purchase goods or receive services, the advertiser shall assume civil liability in accordance with the law.

ANTI-UNFAIR COMPETITION

On September 2, 1993, the SCNPC promulgated the PRC Anti-unfair Competition Law (中華人民共和國反不正當競爭法) (the “Anti-unfair Law”), which was last amended on June 27, 2025, and will take effect on October 15, 2025. According to the Anti-unfair Law, as amended on April 23, 2019, a business shall, in its production and distribution activities, adhere to the free will, equality, fairness, and good faith principles, and abide by laws and business ethics. A business shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers.

On August 30, 2007, the SCNPC promulgated the PRC Anti-Monopoly Law (中華人民共和國反壟斷法), which was amended on June 24, 2022 and became effective on August 1, 2022. The PRC Anti-Monopoly Law is applicable to monopolistic behaviors which include business operators reaching a monopoly agreement, business operators abusing their dominant market position, and business operators’ concentration that has or may have the effect of eliminating or restricting competition. Pursuant to this Law, business operators may not use data and algorithms, technology, capital advantages or platform rules to engage in monopolistic practices prohibited by this Law.

According to the Price Law of the PRC (中華人民共和國價格法) (the “Price Law”) promulgated by the SCNPC on December 29, 1997 and took effect from May 1, 1998, the production and operation costs and the market supply and demand situation should be the fundamental basis for the operator to determine the price. When selling or purchasing goods and providing services, the operator shall clearly indicate the price and indicate the name, origin of production, specifications, grade, valuation unit and price of a commodity, or service item, charging standards and other related particulars in accordance with the requirements of the competent government price department. Any operator engaged in the act of illegitimate pricing stipulated by the Price Law shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than five times of its illegal income; if the circumstances are serious, the business combination shall be ordered to suspend for rectification, or the administrative

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department for industry and commerce shall revoke the business license. In addition, any operator who causes consumers or other operators to pay higher prices due to illegal pricing acts should refund the overpaid portion; if damage is caused, it shall be liable for compensation according to law.

INFORMATION SECURITY AND DATA PROTECTION

The PRC Data Security Law (中華人民共和國數據安全法) (the “Data Security Law”) was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permits or even criminal liabilities.

The PRC Personal Information Protection Law (中華人民共和國個人信息保護法) (the “Personal Information Protection Law”) was promulgated on August 20, 2021 and came into effect on November 1, 2021. Instead of relying solely on “notification and consent” as established in the PRC Cybersecurity Law (“Cybersecurity Law”), the Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual’s consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect a natural person’s life, health and property safety under emergency circumstances; (v) the personal information that has been made public is processed within a reasonable scope in accordance with the Personal Information Protection Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, inclusion in relevant credit record, or even criminal liabilities.

Pursuant to the PRC Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public the personal information of others.

On April 13, 2020, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (網絡安全審查辦法), which was last amended on December 18, 2021, and came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that an online platform operator that possesses the personal information of more than one million users must apply for cybersecurity review by the Cybersecurity Review Office, if it plans on listing in foreign countries. The Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, activities of data processing or overseas listing of companies affects or may affect national security. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the Cybersecurity Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties and suspension of non-compliant operations.

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On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (網絡數據安全管理條例), which came into force on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform.

MANAGEMENT OF REAL PROPERTY

State-Owned Land

According to the Regulations on the Implementation of the PRC Land Administration Law (中華人民共和國土地管理法實施條例) promulgated by the State Council on December 27, 1998, last amended on July 2, 2021 and became effective on September 1, 2021, in order to use state-owned land, the user should acquire the land in the form of paid use, including transfer of state-owned land use right.

Leased Property

The Administrative Measures for Commodity Housing Tenancy (商品房屋租賃管理辦法), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, stipulates that within thirty days from execution of a property lease contract, the parties to the contract shall complete property leasing registration with the competent construction (real estate) department of the local government where the leased property is located. If an organization fails to perform this obligation, the competent construction (real estate) departments shall urge the organization to make corrections within a specified time limit, and shall impose a fine between RMB1,000 and RMB10,000 on the organization if it fails to make corrections within the time limit.

FOREIGN EXCHANGE

The principal regulations governing foreign exchange in China are the PRC Regulations on Foreign Exchange Administration (中華人民共和國外匯管理條例) (the “Foreign Exchange Regulations”), which was promulgated by the State Council and became effective on August 5, 2008. Under the Foreign Exchange Regulations, payments of current account items (such as profit distributions and trade and service-related foreign exchange transactions) may be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate governmental authorities is required for conversion of Renminbi into foreign currencies and remittance of foreign currencies out of the PRC under capital account items such as direct investments, repayments of overseas loans, and investments in overseas securities markets.

According to the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (the “SAFE Circular 19”) promulgated by the SAFE and last amended on March 23, 2023, and the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) (the “SAFE Circular 16”) promulgated by the SAFE and amended on December 4, 2023, the flow and use of Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than its affiliates unless otherwise permitted under its business scope.

In October 2019, the SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知) (the “SAFE Circular 28”), which was partially amended on December 4, 2023. The SAFE Circular 28 cancels the

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restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in the PRC, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知) issued by the SAFE on April 10, 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (中華人民共和國環境保護法) (the “Environmental Protection Law”) was promulgated and effective on December 26, 1989, and amended on April 24, 2014, under which any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or closedown, or even criminal punishment. Any person or entity that pollutes the environment resulting in damage could also be held liable under the Civil Code. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

FIRE CONTROL

According to the Fire Prevention Law of the People’s Republic of China (中華人民共和國消防法) (the “Fire Prevention Law”) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (建設工程消防設計審查驗收管理暫行規定) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and latest amended on August 21, 2023, special construction projects that fail to undergo or pass the fire protection acceptance check are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be suspended from use. Any special construction projects put into use without passing the fire protection acceptance check, or failure to suspend the use of any construction projects other than special construction projects which fail to pass the random inspection on fire safety acceptance, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB300,000. Any constructing entity fails to go through the fire safety acceptance filing for any construction projects other than special construction projects shall be ordered to make corrections and imposed a fine of not more than RMB5,000 by the competent housing and urban-rural development authorities.

Pursuant to the Fire Prevention Law, the constructing entity or the entity occupying the facility shall apply to the fire prevention and rescue department of the local people’s government at or above the county level for a fire safety inspection before a public gathering place is put into

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use or opens for business. Any public gathering place put into use or operated without passing the fire safety inspection or without satisfying the fire safety requirements, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB300,000.

SECURITIES LAW AND OVERSEAS OFFERING AND LISTING OF SHARES

On December 29, 1998, the SCNPC promulgated the PRC Securities Law (中華人民共和國證券法), which was last amended on December 28, 2019 and took effect on March 1, 2020. The PRC Securities Law regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The PRC Securities Law states that domestic enterprises that seek to issue securities abroad directly or indirectly or to list their securities abroad for trading shall comply with the relevant provisions of the State Council.

Pursuant to the Trial Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法) promulgated by the CSRC on February 17, 2023 and effective as of March 31, 2023, direct or indirect issuance of securities overseas by a domestic company or listing of its securities overseas is subject to the regulations of the CSRC, and in the case of an initial public offering of shares or listing overseas, the issuer or the designated entity shall file with the CSRC within three business days after the application for the initial public offering is submitted.

On February 24, 2023, the CSRC and three other governmental authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定). Pursuant to these Provisions, if a domestic enterprise is to provide to the relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, or publicly disclose, any document or material that involves state secrets and working secrets of state agencies, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the PRC.

TAXATION

Enterprise Income Tax

According to the PRC Law on Enterprise Income Tax (中華人民共和國企業所得稅法) (the “EIT Law”), which was promulgated by the SCNPC on March 16, 2007, last amended and became effective on December 29, 2018, and the Implementing Regulations of the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法實施條例) (the “EIT Implementing Regulations”), which was promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and became effective on January 20, 2025, enterprises are classified into resident enterprises and non-resident enterprises. The EIT Law generally imposes a uniform enterprise income tax rate of 25% on all resident enterprises in China, including foreign-invested enterprises. However, the income from engaging in projects of agriculture, forestry, animal husbandry and fisheries of enterprises may be entitled to exemption or reduction of enterprise income tax.

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Value-Added Tax

All entities and individuals engaged in the sales of goods, provision of processing, repairs and replacement services, the sales of service, intangible assets and real estate, and the importation of goods within the territory of the PRC shall pay value-added tax (the “VAT”) in accordance with the Interim Value-added Tax Regulations of the PRC (中華人民共和國增值稅暫行條例) (the “VAT Regulations”), which was promulgated by the State Council on December 13, 1993, last amended and became effective on November 19, 2017, and the Implementing Rules for the Interim Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the MOF on December 15, 2008, last amended on October 28, 2011, and took effect on November 1, 2011.

Vegetables sold by taxpayers who engage in the wholesale and retail of vegetables shall be exempted from VAT in accordance with the Circular on Issues Concerning the Exemption of Value-Added Tax on Vegetables in Circulation (關於免徵蔬菜流通環節增值稅有關問題的通知), which was jointly promulgated by the State Administration of Taxation and Ministry of Finance on December 31, 2011 and became effective on January 1, 2012.

On December 25, 2024, the SCNPC issued the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “VAT Law”), which will be formally implemented on January 1, 2026. The VAT Law reaffirms the provisions of the VAT Regulations and make revisions to aspects such as taxable activities, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding obligations, input tax, non-deductible input tax, mixed sales, and carry-over and refund of input tax.

Dividends Distribution

Pursuant to the PRC Individual Income Tax Law (中華人民共和國個人所得稅法), which was last amended on August 31, 2018, and became effective on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例), which was last amended on December 18, 2018, and became effective on January 1, 2019, dividends distributed by PRC enterprises to individuals shall be subject to individual income tax levied at a flat rate of 20%.

Pursuant to the EIT Laws and the EIT Implementing Regulations, a non-PRC resident enterprise is subject to a reduced 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists its shares in Hong Kong. If a non-PRC resident enterprise either does not have an establishment or place of business in the PRC, or has such establishment or place of business in the PRC but its PRC-sourced income is not effectively connected with the establishment or place of business, the income tax payable by the non-PRC resident enterprise shall be withheld at source.

EMPLOYMENT, SOCIAL INSURANCE, AND HOUSING PROVIDENT FUND

Employment

According to the PRC Labor Law (中華人民共和國勞動法), which was promulgated by the SCNPC on July 5, 1994, last amended and became effective on December 29, 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its employees, who are entitled to fair employment, choice of occupation, labor remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare, and certain other rights.

On June 29, 2007, the SCNPC promulgated the PRC Labor Contract Law (中華人民共和國勞動合同法) (the “Labor Contract Law”), which was amended on December 28, 2012 with effect from July 1, 2013, and the State Council promulgated the Implementing Regulations of the Labor Contract Law of the PRC (中華人民共和國勞動合同法實施條例) with immediate effect from

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September 18, 2008. Pursuant to the Labor Contract Law and its Implementing Regulation, a written labor contract shall be executed by an employer and an employee when the employment relationship is established. Employers are forbidden to force or in a disguised manner force employees to work beyond the time limit, and employers shall pay employees for overtime work in line with related state rules and regulations. In addition, labor wages shall not be lower than local standards on minimum wages and shall be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

The PRC Social Insurance Law (中華人民共和國社會保險法), or the Social Insurance Law, issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with applicable laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

On July 31, 2025, the Supreme People’s Court of the PRC issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the “Interpretation II”), which took effect from September 1, 2025. Pursuant to the Interpretation II, any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates their labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People’s Court of the PRC shall uphold the claim. If the employer requests the employee to return the social insurance premium compensation already paid after paying social insurance premiums in accordance with the PRC laws, the People’s Court of the PRC shall support the request in accordance with the PRC laws.

In accordance with the Regulations on the Administration of Housing Provident Funds (住房公積金管理條例) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees’ housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people’s court will be applied.

INTELLECTUAL PROPERTY

Trademark

Pursuant to the PRC Trademark Law (中華人民共和國商標法) (the “**Trademark Law**”), which was promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, and the Implementation Regulation of the PRC Trademark Law (中華人民共和國商標法實施條例), which was adopted by the State Council on August 3, 2002, last amended on April 29, 2014, and became effective on May 1, 2014, the trademark registrants shall be entitled to the right to the exclusive use of their registered trademarks and shall be protected

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by law. A registered trademark is valid for a term of ten years commencing on the date of registration approval, and the term is renewable. The trademark registrant may, by concluding a trademark licensing contract, authorize other persons to use its registered trademark.

Patents

According to the PRC Patent Law (中華人民共和國專利法) promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020, coming into effect on June 1, 2021, and the Implementation Rules of the PRC Patent Law (中華人民共和國專利法實施細則), promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and effective from January 20, 2024, invention patents are valid for twenty years, utility model patents are valid for ten years, and design patents are valid for fifteen years, in each case from the date of application.

Copyright

In accordance with the PRC Copyright Law (中華人民共和國著作權法), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020, and became effective on June 1, 2021, works of PRC nationals, legal persons and other organizations, whether published or not, and works of non-PRC nationals or stateless persons which are first published in the territory of the PRC, shall enjoy copyright under this Law. Unless otherwise provided for by this Law, the copyright in a work shall be owned by its author. An author’s rights of authorship, modification and integrity in respect of his/her work shall continue in perpetuity.

Domain Names

Domain names are protected under the Administrative Measures for Internet Domain Names (互聯網域名管理辦法) issued by the Ministry of Industry and Information Technology, or the MIIT, on August 24, 2017 and effective from November 1, 2017, and the Implementing Rules for National Top-level Domain Registration (國家頂級域名註冊實施細則) issued by China Internet Network Information Center on June 18, 2019, which became effective on the same day. The MIIT is the main regulatory body responsible for the administration of the PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.