We are subject to various PRC laws, regulations and rules that affect many aspects of our business. This section provides an overview of the PRC laws, regulations and rules we believe to be relating to our business and operation.

LAWS AND REGULATIONS ON DOMESTIC FOREIGN INVESTMENT

Pursuant to the Company Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on December 29, 1993, amended on December 29, 2023 and implemented on July 1, 2024, the Foreign Investment Law of the People's Republic of China promulgated by the National People's Congress on March 15, 2019 and implemented on January 1, 2020, and the Regulations for the Implementation of the Foreign Investment Law of the People's Republic of China promulgated by the State Council of the People's Republic of China (the "State Council") on December 26, 2019 and implemented on January 1, 2020, the organisation form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law. At the same time, China will further expand its opening to the outside world, actively promote foreign investment, protect the legitimate rights and interests of foreign investment and regulate the management of foreign investment. Foreign-invested enterprises shall equally apply the state policies on supporting the development of enterprises in accordance with the law. The capital contributions, profits, capital gains, proceeds from the disposal of assets, royalties from the licensing of intellectual property, compensation or indemnification obtained in accordance with the law, and proceeds from liquidation of a foreign investor within the territory of China may be freely remitted into and out of the territory of China in Renminbi or foreign exchange in accordance with the law.

According to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) issued by the National Development and Reform Commission (the "NDRC") and the Ministry of Commerce of the People's Republic of China (the "MOFCOM") on September 6, 2024 and implemented on November 1, 2024, and the Catalogue of Industries Encouraging Foreign Investment (2025 Edition) issued by the MOFCOM and the NDRC on December 15, 2025 and implemented on February 1, 2026, the current business operations of the Company do not fall within the scope of the Negative List or the scope of prohibited foreign investment.

Pursuant to the Measures for Security Review of Foreign Investments（外商投資安全審查辦法）promulgated by the NDRC and the MOFCOM on December 19, 2020 and implemented on January 18, 2021, the NDRC and the MOFCOM shall set up the Office of Working Mechanisms under the NDRC, which is responsible for the security review of foreign investments. The Measures for Security Review of Foreign Investments define foreign investment as direct or indirect investment by a foreign investor in China, for investments in certain key areas related to national security, such as agricultural products, vital energy and resources, important information technology and Internet products and services, key technologies and other important areas related to national security so as to obtain actual control of the invested enterprise, declaration must be made to the Office of the Working Mechanism prior to the making of the relevant investment.

LAWS AND REGULATIONS ON THE PRODUCTION AND SALE OF DAIRY PRODUCTS

Food Production Licence

Pursuant to the Measures for the Administration of Food Production Licences promulgated by the State Administration for Market Regulation on January 2, 2020 and implemented on March 1, 2020, entities engaged in food production activities within the PRC should obtain a food production licence. The principle of one enterprise, one certificate shall be implemented for food production licenses, that is, the same food producer shall obtain a food production licence for food production activities. The date of issuance of the food production licence is the date on which the licence decision is made, and the validity period is 5 years. If the permitted items specified in the food production licence need to be changed, the producer shall apply for a change to the market supervision and administration department of the original licence within 10 working days after the change occurs. If the production site of the food producer is relocated, the food production licensing shall be reapplied.

Food Business Licence

According to the Measures for the Administration of Food Operation Licences and Filing, promulgated by the State Administration for Market Regulation on June 15, 2023 and implemented on December 1, 2023, any entity engaged in food sales and catering services within the territory of the PRC shall obtain the food operation licence in accordance with the law. The date of issue of the food operation licence shall be the date on which the licence decision is made, and the validity period is five years. Where there is a change in the matters specified on the food operation licence, the food operator shall apply to the market supervision and administration department that originally issued the licence for changes to the food operation licence within ten working days after the changes. Where the address of the food operator is relocated and it does not engages in food operation activities at the original licensed business premises, it shall reapply for the food operation licence.

An operator who only sells prepackaged food shall make registration with the local market regulatory department at or above the county level where it is located. If the food operator who only sells prepackaged food adds other food operation items that the food operation licence should be obtained after filing, it shall obtain the food operation license in accordance with the law. The filing shall automatically become invalid from the date of obtaining the food business licence. If the food operator has obtained the food operation license and adds the sales of prepackaged food, no separate record filing is required.

Production and Procurement of Fresh Raw Milk

According to the Measures for the Administration of Fresh Raw Milk Production and Purchase, promulgated and implemented on November 7, 2008 by the former Ministry of Agriculture of the People's Republic of China (the "Ministry of Agriculture," now the Ministry of Agriculture and Rural Affairs of the People's Republic of China, the "Ministry of Agriculture and Rural Affairs"), the production, acquisition, storage, transportation, and sale of raw milk should comply with national standards for the quality and safety of fresh raw milk. Dairy animal breeders, purchasers of raw milk and transporters of fresh raw milk are the first responsible persons who shall assume responsibility for the quality and safety of fresh raw milk that they produce, purchase, transport or sell. Entities or individuals engaged in the dairy animal breeding shall not add animal-derived ingredients (excluding milk and dairy products) into animal feeds, feed additives or veterinary drugs, nor shall they add any substances that are directly or potentially harmful to human beings or animals. Dairy production enterprises, dairy animal breeders, specialised dairy production cooperatives for farmers who wish to open fresh raw milk purchase stations shall meet the statutory conditions and apply to the administrative department for animal husbandry and veterinary medicine under the people's government at the county level where they are located for a fresh raw milk purchase licence. The fresh raw milk purchase licence is valid for a period of two years.

Quality of Dairy Products

In accordance with the Regulations on the Supervision and Administration of the Quality and Safety of Dairy Products promulgated and implemented by the State Council on October 9, 2008, dairy products refer to fresh raw milk and dairy products. Dairy animal breeders, purchasers of raw milk, manufacturers and sellers of dairy products are the first responsible persons who shall assume responsibility for the quality and safety of dairy products that they produce, purchase, transport or sell. No substance is permitted to be added in fresh raw milk during the processes of production, procurement, storage, transportation and marketing. The addition of non-edible chemical substances or other substances which may be harmful to human health during the production process of dairy products is prohibited.

LAWS AND REGULATIONS ON GENERAL FOOD SAFETY

Food Safety

Pursuant to the Food Safety Law of the People's Republic of China (the "Food Safety Law"), promulgated by the SCNPC on February 28, 2009, amended on September 12, 2025 and implemented on December 1, 2025, the Regulations on the Implementation of the Food Safety Law of the People's Republic of China (2019 Revision) (the "Regulations on the Implementation of the Food Safety Law"), promulgated by the State Council on July 20, 2009, amended on October 11, 2019 and implemented on December 1, 2019, food producers and operators shall, in accordance with laws, regulations and food safety standards, engage in production and operation activities, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, thus ensuring food safety. The State Council shall establish a food safety committee. The food safety supervision and administration departments under the State Council shall exercise supervision and administration over food production and operation activities. The health administrative department under the State Council shall organize the implementation of risk monitoring and risk assessment of food safety and shall formulate and issue national food safety standards in concert with the food safety supervision and administration departments under the State Council. Food safety standards are mandatory standards. No mandatory food standards other than food safety standards shall be formulated. Other relevant departments under the State Council shall carry out relevant food safety work.

Food Labelling Management

In accordance with the Food Safety Law, prepackaged food shall be labeled. Major nutrition facts and contents shall be specified on the labels of staple foods and supplementary foods exclusively for infants and other designated groups. Where national food safety standards have otherwise provisions on label matters, those provisions shall prevail.

Product Quality

Pursuant to the Product Quality Law of the People's Republic of China, promulgated by the SCNPC on February 22, 1993 and amended and implemented on December 29, 2018, both producers and sellers shall be responsible for product quality in accordance with the provisions of law. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Where non-compliant products are produced or sold, the relevant parties shall be ordered to cease the production and sales, the illegally produced or sold products shall be confiscated, and a fine shall be imposed; where there are illegal gains, such gains shall also be confiscated; where the circumstances are serious, its business licence may be revoked; where a criminal offence is constituted, criminal liability shall be pursued in accordance with the law.

Pursuant to the Civil Code of the People's Republic of China (the "Civil Code"), promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021, where damage is caused to another person due to a product defect, the injured party may claim compensation from either the manufacturer or the seller of the product. When a product is manufactured or sold with full knowledge of its defects, or the person in charge fails to take effective remedial measures in accordance with the provisions of the Civil Code, which cause death or serious damage to the health of others, the infringed party shall have the right to claim appropriate punitive damages. If damages to other persons are caused by defective products due to the fault of a third party, such as the parties providing transportation or warehousing, the producers and the sellers of the products shall, after providing compensation, be entitled to recover their respective losses from such third parties.

Food Recalls

In accordance with the Measures for the Administration of Food Recall promulgated by the State Food and Drug Administration (now the State Administration for Market Regulation, the "SAMR") on March 11, 2015 and revised and implemented on October 23, 2020, food operators who find that the food involved is unsafe shall immediately suspend operation, inform relevant food producers and operators to suspend production and operation, inform consumers to stop eating, and take necessary measures to prevent and control food safety risks. Food producers knowing that any food produced and operated thereby is unsafe should voluntarily recall such food. Food producers and operators must faithfully record the name, trademark, specification, production date, batch number, quantity and other contents of unsafe food subject to the suspension of production and operation, recall and disposal. Records should be kept for at least two years.

Consumer Rights and Interests Protection

Pursuant to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, promulgated by the SCNPC on October 31, 1993, amended on October 25, 2013 and implemented on March 15, 2014, operators should guarantee that the products and services they provide satisfy the requirements for safeguarding personal or property safety. When providing consumers with information regarding the quality, performance, usage, and expiry date of goods or services, operators shall ensure such information is truthful and comprehensive, and should not engage in false or misleading advertising. In the event of a breach of the relevant provisions, operators may be held liable for civil liability (such as refunding the purchase price or compensating for losses) and administrative penalties (such as warnings, confiscation of illegal gains, fines, orders to suspend operations for rectification, or revocation of business licences). Where an operator infringes upon the lawful rights and interests of consumers and such conduct constitutes a criminal offence, criminal liability may be pursued in accordance with the law.

Pursuant to the E-Commerce Law of the People's Republic of China, promulgated by the SCNPC on August 31, 2018 and implemented on January 1, 2019, e-commerce business operators shall mean natural persons, legal persons and unincorporated organizations that engage in business activities of sale of goods or provision of services through Internet and other information network, including e-commerce platform operators, business operators using the platform, and e-commerce business operators that sell goods or provide services through their own website or other network services. E-commerce business operators engaging in business activities shall adhere to the principles of voluntary participation, equality, fairness and integrity, comply with laws and business ethics, participate in market competition fairly, perform the obligations of consumer rights and interests protection, environmental protection, intellectual property protection, cybersecurity and protection of personal information, etc., undertake product and service quality responsibilities, and accept government and public supervision.

REGARDING ANTI-UNFAIR COMPETITION

In accordance with the Anti-Unfair Competition Law of the People's Republic of China, promulgated by the SCNPC on September 2, 1993, amended on June 27, 2025 and implemented on October 15, 2025, operators shall, in their production and operational activities, abide by the principles of voluntariness, equality, fairness and good faith, comply with laws and business ethics, and participate in market competition fairly. Operators 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. Operators shall not assist other operators in engaging in false or misleading commercial promotion through means such as organising fictitious transactions or fabricating reviews. Operators shall not engage in acts of confusion that lead people to believe that goods are those of others or that a specific connection exists with others.

LAWS AND REGULATIONS CONCERNING LIVESTOCK AND POULTRY FARMING

Record Filing of Livestock and Poultry Farms

Pursuant to the Law of the People's Republic of China on Animal Husbandry (the "Animal Husbandry Law"), promulgated by the SCNPC on December 29, 2005, amended on October 30, 2022, and implemented on March 1, 2023, the State regulates the production and operation in the animal husbandry industry, ensures the quality and safety of livestock and poultry products, protects and rationally utilizes livestock and poultry genetic resources, breeds and promotes improved livestock and poultry breeds, safeguards the lawful rights and interests of producers and operators in the animal husbandry industry, prevents public health risks, and promotes the high-quality development of the animal husbandry industry.

Detailed rules regarding the identification of livestock and poultry and the management of farming archives are governed by the Administrative Measures for Livestock and Poultry Identification and Farming Archives, promulgated by the former Ministry of Agriculture (now the Ministry of Agriculture and Rural Affairs) on June 26, 2006 and implemented on July 1, 2006.

Licence for the Production and Operation of Breeding Livestock and Poultry

In accordance with the Animal Husbandry Law, any entity or individual engaged in the production and operation of breeding livestock and poultry or in the production of young commercial livestock and poultry shall obtain a licence for the production and operation of breeding livestock and poultry. To apply for the licence for production and operation of breeding livestock and poultry, an applicant shall meet the following conditions: (1) The breeding livestock and poultry for production and operation must be of the species and the supporting lines that have gone through the verification or identification by the National Commission for Livestock and Poultry Genetic Resources, or the species and supporting lines introduced from abroad upon approval; (2) To have animal husbandry and veterinary technicians commensurate with the scale of production and operation; (3) To have the breeding facilities and equipment commensurate with the scale of the production and operation; (4) To meet the conditions of epidemic prevention for the breeding livestock and poultry, as provided for by laws and administrative regulations and the competent department of agriculture and rural affairs under the State Council; (5) To have comprehensive systems for quality control and breeding record-keeping; and (6) To meet other conditions as provided for by laws and administrative regulations.

Disease Prevention

Pursuant to the Law of the People's Republic of China on Animal Epidemic Prevention, promulgated by the SCNPC on July 3, 1997, amended on January 22, 2021 and implemented on May 1, 2021, the State implements a system for the examination of conditions for prevention of animal epidemics. For building of an animal raising farm, an application shall be submitted to the administrative department for veterinary medicine under the people's government at or above the country level, with the relevant materials attached to it. If the application passes the examination, the certificate of conformity to the conditions for animal epidemic prevention shall be issued to the applicant. Where the units and individuals engaged in animal raising, slaughtering, marketing, isolation, and transportation shall immediately report to the local administrative departments for veterinary medicine, animal health supervision institutions or animal epidemic prevention and control institutions when they find that animals have contracted epidemics or suspect the same, and they shall have the animals isolated and take other control measures, to prevent the spread of the epidemics. Where animals are eradicated and animal products and relevant goods are destroyed through mandatory measures taken in the course of prevention, control and elimination of animal epidemics, people's governments at or above the county level shall provide compensation.

Water Resources

Pursuant to the Water Law of the People's Republic of China, promulgated by the SCNPC on January 21, 1988 and amended and implemented on July 2, 2016, and the Regulations on the Administration of Water Abstraction Licensing and the Collection of Water Resource Fees, promulgated by the State Council on February 21, 2006 and amended and implemented on March 1, 2017, and the Measures for the Administration of Water Abstraction Licensing, promulgated by the Ministry of Water Resources of the People's Republic of China on April 9, 2008 and amended and implemented on December 22, 2017, water abstraction refers to the direct abstraction of water resources from rivers, lakes or underground sources using water abstraction works or facilities. Any entity or individual that abstracts water resources shall, except for certain circumstances, apply for and obtain a water abstraction licence and pay water resources fees. An applicant may not build water abstraction engineering structures or facilities until its application for water abstraction has been approved by the approval authority. The water abstraction permit is generally valid for 5 years, with the maximum of 10 years.

LAWS AND REGULATIONS RELATING TO LAND

The Land Administration Law of the People's Republic of China (the "Land Administration Law"), promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and implemented on January 1, 2020, stipulates that there are two kinds of ownership of the land in China. Land in the urban areas of cities is owned by the State. Land in rural and suburban areas is owned by peasant collectives, except for those portions of land which belong to the State as provided for by law; house sites and private plots of cropland and hilly land are owned by peasant collectives.

Pursuant to the Land Administration Law, China applies a system of control over the purposes of use of land. implements a system of land use control, which includes land for agriculture, land for construction and unused land. All units and individuals shall use land in strict compliance with the purposes of use defined in the overall plans for land utilization. Any change to be lawfully made in land ownership, in the right to the use of land or in the purpose of use of land shall be registered. Land ownership and usage rights registered in accordance with the law are protected by law, and no entity or individual may infringe upon them.

State-owned Land

Pursuant to the Interim Regulations of the People's Republic of China on the Granting and Transfer of State-Owned Land Use Rights in Urban Areas, promulgated by the State Council on May 19, 1990 and revised and implemented on November 29, 2020, the State implements the granting and transfer system of urban state-owned land use right in accordance with the principle of separation of ownership and use right. A land user shall pay land premiums to the State as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage, or otherwise commercially exploit the land within the term of use. The local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user should register with the land administration authority and obtain a land use rights certificate that evidences the acquisition of land use rights.

Land Collectively Owned by Farmers

In accordance with the Land Administration Law, land collectively owned by peasants which belongs to village peasants collectively in accordance with the law shall be operated and managed by the village collective economic organisation or village committee. Pursuant to the Rural Land Contracting Law of the People's Republic of China (the "Rural Land Contracting Law"), promulgated by the SCNPC on August 29, 2002, amended on December 29, 2018 and implemented on January 1, 2019, the State implements a rural land contracting management system. Rural land contractors may be members of the collective economic organisation, or units or individuals outside that collective economic organisation. The awarding of rural land to units or individuals outside the collective economic organisation shall be carried out in accordance with the relevant procedures with prior consent of more than two-thirds of the members of the collective economic organisation or more than two-thirds of the villager representatives, and shall report the contracting to the people's government at the township level for approval. Rural land contractors may transfer their land contracting and management rights through leasing (sub-contracting) or other means. The contracting period is 30 years for arable land, 30 to 50 years for grassland, and 30 to 70 years for woodland.

LAWS AND REGULATIONS RELATING TO CONSTRUCTION WORK

Pursuant to the Urban and Rural Planning Law of the People's Republic of China (the "Urban and Rural Planning Law"), promulgated by the SCNPC on October 28, 2007 and amended and implemented on April 23, 2019, when building any building, structure, road, pipeline and other engineering project within a city or town planning area, the relevant construction unit or individual shall apply for a Construction Work Planning Permit from an urban and rural planning competent authority of the people's government at the municipal or county level or a people's government of town as recognized by the people's government of a province, autonomous region or municipality.

Pursuant to the Construction Law of the People's Republic of China, promulgated by the SCNPC on November 1, 1997 and amended and implemented on April 23, 2019, a construction unit shall, prior to the commencement of a construction project, apply for a construction work commencement permit to a construction administrative competent authority of the people's government at or above the county level of the place where the project is located pursuant to the relevant regulations of the State. However, small projects below the threshold value set by the construction administrative competent authority of the State Council are subject to exception.

In accordance with the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (房屋建築和市政基礎設施工程竣工驗收備案管理辦法), promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (the "Ministry of Housing and Urban-Rural Development") on April 4, 2000 and amended and implemented on October 19, 2009, upon the completion of a construction project and before it is delivered for use, the construction enterprise shall organize the design, construction, and project supervision entities, as well as other relevant entities, to conduct an acceptance inspection. They must then submit the acceptance inspection report, along with the approval and licensed use documents issued by the departments of planning, public security, fire prevention, environmental protection, and so on, to the construction administrative department for record-filing.

In accordance with the Fire Protection Law of the People's Republic of China, promulgated by the SCNPC on April 29, 1998 and latest amended and implemented on April 29, 2021, the fire control design or construction of a construction project must conform to the national fire safety technical standards of project construction. The construction, design, contractor and the supervision units shall be legally liable for the quality of the fire safety design and construction of the project. The construction work shall not commence unless the project has undergone a statutory inspection or it failed to undergo such inspection. If a completed construction project has not undergone a fire safety inspection, or fails to meet such fire safety regulations upon inspection, the project shall not be put into use or commence operations.

LAWS AND REGULATIONS RELATING TO REAL ESTATE LEASING

Pursuant to the Law of the People's Republic of China on the Administration of Urban Real Estate, promulgated by the SCNPC on July 5, 1994, amended on August 26, 2019 and implemented on January 1, 2020, in the case of a house leasing, the lessor and the lessee shall sign a lease contract in writing, stating the agreed lease term, usage, price and modification responsibilities as well as other rights and obligation of the parties, and register with the real estate administration authority.

Pursuant to the Measures for the Administration of Commercial Housing Leases（商品房屋租賃管理辦法）promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and implemented on February 1, 2011, within 30 days after the date of the housing lease contract, the parties shall go through the housing lease registration and filing process with the competent construction (real estate) authority under the government of the municipality, city or county where the housing is located.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION AND SAFETY

Environmental Protection

Pursuant to the Environmental Protection Law of the People's Republic of China, promulgated by the SCNPC on September 13, 1979, amended on April 24, 2014 and implemented on January 1, 2015, this Law is formulated for the purpose of protecting and improving environment, preventing and controlling pollution and other public hazards, safeguarding public health, promoting ecological civilization improvement and facilitating sustainable economic and social sustainable development. The Ministry of Ecology and Environment is authorised to promulgate national environmental quality and pollutant emission standards and to supervise environmental protection work nationwide. At the same time, local environmental protection authorities may formulate local standards that are stricter than the national standards. Facilities for the prevention and control of pollution at a construction project shall be designed, constructed and put into operation simultaneously with the major construction works of the construction project. Pollution control facilities in construction projects shall be designed, constructed and put into operation simultaneously with the main works. Pollution control facilities shall not be dismantled or left idle without authorisation. The Environmental Protection Law makes it clear that the liabilities for any violation of said law include fine, rectification within a time limit, compulsory ceasing of operations, compulsory shutout or closedown, restitution, or even criminal liability.

Environmental Impact Assessment and Completion Acceptance

According to the Law of the People's Republic of China on Environmental Impact Assessment（中華人民共和國環境影響評價法）promulgated by the SCNPC on October 28, 2002, and amended on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection（建設項目環境保護管理條例）promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 and implemented on October 1, 2017, the State implements classified management on the environmental impact assessment of construction projects in accordance with the degree of impact of construction projects on the environment. For a construction project which shall prepare an environmental impact report or an environmental impact report form according to laws, the construction unit shall submit the said report or form to the competent environment protection administration authority for approval before commencing construction. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction. For construction projects required by law to complete an environmental impact registration form, the construction unit shall, in accordance with the provisions of the competent administrative department of the State Council for environmental protection, submit the environmental impact registration form to the competent administrative department at the county-level for environmental protection where the construction project is located for filing.

In accordance with the Interim Measures on Administration of Environmental Protection for Acceptance Examination Upon Completion of Construction Projects (建設項目竣工環境保護驗收暫行辦法), which was promulgated and implemented on November 20, 2017 by the Ministry of Environmental Protection of the People's Republic of China (now known as the Ministry of Ecology and Environment of the People's Republic of China, the "Ministry of Ecology and Environment"), the construction unit shall independently carry out the procedures and standards for environmental protection acceptance upon completion of the construction project.

Waste Discharge Management

In accordance with the Regulations on the Administration of Pollutant Discharge Permits, promulgated by the State Council on January 24, 2021 and implemented on March 1, 2021, and the Directory of Classified Licences on Fixed Pollution Sources (2019 Version) (固定污染源排污許可分類管理名錄(2019年版)), promulgated and implemented by the Ministry of Ecology and Environment on December 20, 2019, the State implements a classified management system for pollutant discharge permits, and implements key management of pollutant discharge permits, simplified management and registration management according to factors such as the volume of pollutants generated, discharged, and the degree of impact on the environment of enterprises, institutions, and other producers and operators that discharging pollutants. Enterprises, institutions, and other producers and operators that implement key management and simplified management of pollutant discharge permits shall apply for pollutant discharge permits in accordance with regulations. Those who have not obtained a pollutant discharge permit shall not discharge pollutants. Pollutant discharge units that implement registration management do not need to apply for a pollutant discharge permit, but should fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

Work Safety

In accordance with the Law on Work Safety of the People's Republic of China, promulgated by the SCNPC on June 29, 2002, amended on June 10, 2021, and implemented on September 1, 2021, a business entity shall establish, improve and implement a production safety responsibility system and production safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in production safety, and improve production safety conditions. Business entities shall provide their employees with production safety education and training to ensure that their employees have necessary production safety knowledge, are familiar with the relevant production safety policies and rules and safe operating procedures, possess the safe operating skills for their respective posts, know the emergency response measures for accidents, and are informed of their rights and obligations in production safety. Employees failing the production safety education and training shall not take their posts.

LAWS AND REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Pursuant to the Cybersecurity Law of the People's Republic of China, promulgated by the SCNPC on November 7, 2016, amended on October 28, 2025 and implemented on January 1, 2026, the construction and operation of networks or provision of services through networks shall be in accordance with the provisions of laws and regulations and the mandatory requirements of State or industry standards; adopting technical measures and other necessary measures to protect cybersecurity and operational stability, effectively responding to cybersecurity incidents, preventing cyber crimes, and safeguarding the integrity, secrecy and usability of online data.

Pursuant to the Data Security Law of the People's Republic of China, promulgated by the SCNPC on June 10, 2021 and implemented on September 1, 2021, an organization or individual shall collect data by lawful and proper means, and shall not acquire data by theft or in other illegal manners. Whoever processes data shall observe laws and regulations, respect social morality and ethics, observe business and professional ethics, uphold honesty and trustworthiness, fulfill data security protection obligations, and undertake social responsibilities; and shall not endanger national security and public interests, nor harm the lawful rights and interests of individuals and organizations. In data processing, the laws and regulations shall be complied with, a sound data security management system throughout the whole process shall be established, data security education and training shall be organized and conducted, and corresponding technical measures and other necessary measures shall be adopted to ensure data security.

Pursuant to the Cybersecurity Review Measures promulgated by the Cyberspace Administration of China (the "CAC") and other Chinese regulatory authorities on December 28, 2021 and implemented on February 15, 2022, operators of critical information infrastructure purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review. Furthermore, a network platform operator with personal information of more than one million users, which seeks listing in a foreign country, is obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

Pursuant to the Regulations on the Network Data Security Management, promulgated by the State Council on September 24, 2024 and implemented on January 1, 2025, cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. Where important data collected and generated by cyber data processors during their operations within the territory of the People's Republic of China is needed to be provided overseas, it shall undergo a security assessment for cross-border data transfer organised by the national cyberspace administration.

Pursuant to the Personal Information Protection Law of the People's Republic of China, promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, personal information refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding the information processed anonymously. This law stipulates the manners for processing personal information, establishes rules for processing personal information and its provision to overseas recipients, and clarifies the rights of individuals and the obligations of data processors in personal information processing activities.

Pursuant to the Provisions on the Promotion and Regulation of Cross-border Data Flow issued and implemented by the CAC on March 22, 2024. The provisions provide several exemptions to processors of data, which exempt them from undergoing data security assessment, obtaining personal information protection certification, or entering into standard contracts for outbound transfer of personal information for businesses.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademarks

Pursuant to the Trademark Law of the People's Republic of China, promulgated by the SCNPC on August 23, 1982, amended on April 23, 2019 and implemented on November 1, 2019, trademarks approved and registered by the Trademark Bureau are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants enjoy exclusive rights to use trademark and are protected by the law. The term of validity of registered trademarks is ten years, commencing from the date of registration. The registrant shall complete the renewal procedures within twelve months prior to the expiry of the term. If the renewal procedures are not completed by the expiry date, the registered trademark shall be cancelled. The term of validity for each renewal is ten years, commencing from the date following the expiry of the previous term of the trademark.

Patents

Pursuant to the Patent Law of the People's Republic of China, promulgated by the SCNPC on March 12, 1984, amended on October 17, 2020 and implemented on June 1, 2021, the State protects patent rights for inventions-creations, encourage invention-creation, to facilitate the wide application of inventions-creations, promote the progress and innovation of science and technology as well as economic and social development. Among them, the duration of patent right for inventions shall be twenty years, the duration of the patent right for utility models shall be ten years, and patent right for appearance design shall be for fifteen years, counted from the date of application.

Copyright

Pursuant to the Copyright Law of the People's Republic of China, promulgated by the SCNPC on September 7, 1990, amended on November 11, 2020 and implemented on June 1, 2021, works of PRC nationals, legal persons and other unincorporated organizations, whether published or not, and works of non-PRC nationals or stateless persons first published within the territory of China, shall enjoy copyright in accordance with this Law. copyright holders shall be entitled to a variety of personal and property rights, including the publication right, the right of signature, the right of modification and the right of reproduction.

Pursuant to the Regulations on the Protection of Computer Software promulgated by the State Council on June 4, 1991, amended on January 30, 2013 and implemented on March 1, 2013, Chinese citizens, legal persons or other organizations enjoy the copyright of the software he/it has developed, whether the software is released publicly or not. Foreigners or stateless persons' software first published in China enjoys the copyright under these regulations. A software copyright owner may complete registration formalities with a software registration authority recognized by the State Council's copyright administrative department.

Domain Names

Pursuant to the "Administrative Measures on the Internet Domain Names" promulgated by the Ministry of Industry and Information Technology of the People's Republic of China on August 24, 2017 and implemented on November 1, 2017, the principle of "first-to-file" is adopted for domain name services. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor

Pursuant to the Labor Law of the People's Republic of China, promulgated by the SCNPC on July 5, 1994 and amended and implemented on December 29, 2018, the Labor Contract Law of the People's Republic of China, promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and implemented on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China, promulgated by the State Council on September 18, 2008 and implemented on the same date, labor contracts in written form shall be executed to establish labor relationships between employers and employees. Wages shall not be lower than the local minimum wage standards. Employers shall establish and improve labor rules and regulations in accordance with the law to ensure that workers enjoy labor rights and fulfill labor obligations. At the same time, employers shall establish and perfect their system of work place safety and sanitation, strictly abide by state rules and standards and educate laborers regarding the same, prevent accidents during the course of work, and reduce occupational hazards.

Social Insurance

According to the Social Insurance Law of the People's Republic of China, promulgated by the SCNPC on October 28, 2010 and amended and implemented on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums, promulgated by the State Council on January 22, 1999 and amended and implemented on

March 24, 2019, employers shall pay social insurance premiums such as basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, and maternity insurance for their employees, and the paying unit shall pay social insurance premiums on time and in full.

According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner issued by the State Taxation Administration on September 13, 2018, local departments responsible for the collection of social insurance contributions shall not organize and carry out the previous year's arrears check without permission. Pursuant to the Notice on Implementing Measures on Further Support and Serve the Development of Private Economy（關於實施進一步支持和服務民營經濟發展若干措施的通知）issued by the State Taxation Administration on November 16, 2018, tax authorities shall not organize self-collection of arrears of taxpayers including private enterprises in the previous years. Pursuant to the Circular on the Issuance of the Comprehensive Plan for Reducing Social Insurance Premium Rates（關於印發降低社會保險費率綜合方案的通知）issued by the General Office of the State Council on April 1, 2019 and implemented on May 1, 2019, during the reform of the social insurance collection system, relevant departments shall not carry out self-collection of historical arrears from enterprises.

Housing Provident Fund

Pursuant to the Regulations on the Administration of Housing Provident Fund, promulgated by the State Council on April 3, 1999 and revised and implemented on March 24, 2019, employer units must register housing provident fund deposits with the housing provident fund management centre and set up housing provident fund accounts for its employees. Employers shall also make housing provident fund contributions for their employees on time and in full, and should not make late payments or underpayments.

LAWS AND REGULATIONS ON FOREIGN TRADE

According to the Customs Law of the People's Republic of China, promulgated by the SCNPC on January 22, 1987 and amended and implemented on April 29, 2021, the Customs of the People's Republic of China is the state authority responsible for the supervision and control over the activities entering and leaving the customs territory. The Customs exercises its jurisdiction in all relevant areas in accordance with the relevant laws and administrative regulations. To undergo customs declaration formalities, the consignee or consignor of imported or exported goods and the customs brokers shall file with the Customs in accordance with the law. According to the Announcement on Matters Related to the Merger of Enterprise Customs Declaration and Inspection Qualification（關於企業報關報檢資質合併有關事項的公告）which was promulgated by the General Administration of Customs on April 16, 2018 and implemented on April 20, 2018, the filing of inspection and quarantine self-management inspection enterprises and the filing of consignees and consignors of import and export goods of customs are merged into the record of consignees and consignors of import and export goods of customs. After filing, the enterprise obtains customs declaration and inspection qualifications at the same time.

Furthermore, according to the Provisions on the Administration of 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 implemented on January 1, 2022, customs declaration entities refer to the consignees or consignors of import and export goods and customs declaration enterprises that have filed record with the customs pursuant to these provisions. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities. The registration of customs declaration units remains valid indefinitely.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Administrative Regulations on Foreign Exchange of the People's Republic of China（中華人民共和國外匯管理條例）, promulgated by the State Council on January 29, 1996 and amended and implemented on August 5, 2008, foreign exchange payment under the current account shall, in accordance with provisions relating to foreign exchange payments and purchases enacted by the foreign exchange administrative department under the State Council, be made out of the payer's own foreign exchange funds based on valid invoices or be made with foreign exchange purchased from any financial institution which is engaged in foreign exchange settlement and sales business. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council. Approval or filing procedures should be completed prior to foreign exchange registration in the event that prior approval or record by the relevant competent authorities is required according to the provisions of the law.

In accordance with the provisions of the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts（國家外匯管理局關於改革和規範資本項目結匯管理政策的通知）(SAFE Circular No. 16), promulgated by the State Administration of Foreign Exchange on June 9, 2016 and amended on December 4, 2023, the settlement of foreign exchange receipts under the capital account (including foreign exchange capital, external debts, funds repatriated from overseas listing, etc.) may convert from foreign currency into RMB on self-discretionary basis. The discretionary settlement ratio of foreign exchange receipts under the capital account of domestic entities is tentatively set as 100%. The SAFE may adjust the above ratio in due time in accordance with receipt and payment balance and status.

Pursuant 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）(SAFE Circular No. 8) promulgated by the State Administration of Foreign Exchange on April 10, 2020 and implemented on June 1, 2020, subject to the condition of ensuring the genuine and compliant utilization of funds and adherence to the existing administrative regulations governing the use of income under the capital account, enterprises meeting the specified criteria are permitted to employ income under the capital account, including capital funds, overseas credits and overseas listing proceeds, for domestic payments without the necessity of providing proof materials for verification to the bank for each transaction in advance. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. Pursuant to the Notice of the State Administration of Foreign Exchange on Further Deepening Reform and Promoting the Facilitation of Cross-border Trade and Investment（國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知）issued by the State Administration of Foreign Exchange on December 4, 2023 and implemented on December 4, 2023, the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts can be converted and use by the enterprise at its discretion.

Pursuant to the Guidelines on Foreign Exchange Businesses under Capital Accounts (Edition 2024) promulgated by the State Administration of Foreign Exchange on April 3, 2024 and implemented on May 6, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

Pursuant to the Notice on Issues Concerning Fund Management for Overseas Listing of Domestic Enterprises（關於境內企業境外上市資金管理有關問題的通知）promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and implemented on April 1, 2026, domestic enterprises which will be listed overseas shall apply to a bank within the provincial or planned-city jurisdiction of their registered location to complete the overseas listing registration within 30 working days from the first trading day of the overseas listing or upon completion of the over-allotment. At the same time, the regulations set out corresponding provisions regarding fund management matters related to domestic enterprises which will be listed overseas, including the repurchase of their overseas shares, increases or decreases in holdings of overseas-listed shares by domestic shareholders, and the payment of fees to intermediaries. The People's Bank of China, the State Administration of Foreign Exchange and their branches supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.

REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (境外投資管理辦法) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce departments shall conduct filing or approval management depending on different circumstances of overseas investments of enterprises. Overseas investments involving any sensitive country or region, or any sensitive industry shall be subject to approval management, overseas investments by enterprises in other circumstances shall be subject to filing management.

Pursuant to the Measures for the Administration of Overseas Investment by Enterprises (企業境外投資管理辦法) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an enterprise located within the territory of the PRC (the "Investor") making an outbound investment shall go through such formalities as the approval and filing for the outbound investment project, the reporting of relevant information, and the cooperation in the supervision and inspection over the outbound investment. Sensitive projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval, including projects involving sensitive countries and regions; non-sensitive projects directly carried out by Investors, namely, the non-sensitive projects involving Investors' direct investment of assets and equities or the provision of financing or guarantees shall be subject to filing.

REGULATIONS ON THE FILING OF OVERSEAS LISTINGS

Pursuant to the Securities Law of the People's Republic of China, promulgated by the SCNPC on December 29, 1998, amended on December 28, 2019 and implemented on March 1, 2020, a domestic enterprise issuing securities overseas directly or indirectly or listing its securities overseas shall comply with the relevant provisions of the State Council. The China Securities Regulatory Commission (the "CSRC") is the securities regulatory body set up by the State Council to implement centralized and unified supervision and administration over the national securities market in accordance with the law.

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines, promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023, domestic companies that seek to offer or list their securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定), promulgated by the CSRC, the Ministry of Finance, the State Bureau of State Secrets, and the National Archives Administration on February 24, 2023 and implemented on March 31, 2023, when a domestic company provides or publicly discloses the documents and materials involving state secrets and working secrets of state organs to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent authority with the examination and approval authority for approval, and file with the same level secrecy administration department in accordance with the law. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas offering and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transferring of such working papers shall go through the examination and approval formalities in accordance with the relevant national regulations.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People's Republic of China, promulgated by the SCNPC on March 16, 2007 and amended and implemented on December 29, 2018, and the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, promulgated by the State Council on December 6, 2007, amended on December 6, 2024 and implemented on January 20, 2025, enterprises are divided into resident enterprise and non– resident enterprise. A domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an enterprise income tax of 25% of any income generated within or outside the PRC. At the same time, income from agricultural, forestry, animal husbandry, and fishery projects can be exempted or reduced from enterprise income tax. High-tech enterprises in need of support from the State shall be subject to a reduced enterprise income tax rate of 15%.

Furthermore, according to the Announcement on Continuing the Enterprise Income Tax Policy for the Western Development issued on April 23, 2020 by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), the State Taxation Administration and the NDRC, the enterprise income tax rate for enterprises engaged in encouraged industries located in western regions of the PRC is reduced to 15%. Pursuant to the Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses（關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告） issued by the Ministry of Finance and the State Taxation Administration on August 2, 2023 and implemented on January 1, 2023, for small and micro enterprises, the portion of annual taxable income not exceeding RMB3 million shall be included in tax income reduced rate of 25%, and the corporate income tax shall be paid at the tax rate of 20%.

Value Added Tax

Pursuant to the Value-Added Tax Law of the People's Republic of China, promulgated by the SCNPC on December 25, 2024 and implemented on January 1, 2026, the rate of VAT is 13% for those engaging in the sale of goods or labor services or tangible personal property leasing services or importation of goods. The tax rate of VAT is 9% for the sales of the service of transportation, posting, basic telecommunications, construction and leasing real estate, the sale of real estate, the transfer of land use right and other business. At the same time, agricultural producers are exempt from VAT on the sale of self-produced agricultural products.

Furthermore, pursuant to the Announcement on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers issued and implemented by the Ministry of Finance and the State Taxation Administration on August 1, 2023, the VAT is exempted for small-scale VAT taxpayers with monthly sales of less than RMB100,000 (inclusive). For taxable sales income applicable to small-scale VAT taxpayers at a rate of 3%, the VAT shall be levied at a reduced rate of 1%.

Dividend Distribution

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed by the State Taxation Administration and the Government of the Hong Kong Special Administrative Region on August 21, 2006 and implemented on December 8, 2006, the Chinese Mainland government may impose tax on dividends paid by Chinese resident enterprises to Hong Kong residents (including natural persons and legal entities), but such tax shall not exceed 10% of the gross amount of the dividends payable by the Chinese resident enterprises, unless the relevant Hong Kong resident directly holds 25% or more of the equity in a Chinese resident enterprise, in which case the tax shall not exceed 5% of the gross amount of the dividends payable by the Chinese resident enterprise.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues Relating to the Implementation of Dividend Clauses in Tax Treaty (Guo Shui Han [2009] No. 81), promulgated and implemented by the State Administration of Taxation on February 20, 2009, where a PRC resident company pays dividends to a tax resident of the other contracting party to the tax agreement and the tax resident of the other contracting party is the beneficiary of such dividends, such dividends received by the tax resident of the other contracting party are entitled to the preferential tax treatment, but the following conditions should be met at the same time: (1) the taxpayer entitled to the preferential tax treatment under the tax treaties shall be a tax resident of the other contracting party to the tax treaties; (2) the taxpayer entitled to the preferential tax treatment under the tax treaties shall be the beneficiary of the relevant dividends; (3) dividends entitled to the preferential tax treatment under the tax treaties shall be equity investment income, such as dividends and bonuses determined in accordance with the PRC tax laws; and (4) other conditions provided by the State Taxation Administration.