This section gives an overview of certain aspects of the PRC laws, regulations and policies relating to our business operations.

**Regulations on Companies**

The establishment, operation and management of companies in the PRC are governed by the Company Law of the People's Republic of China (《中華人民共和國公司法》) ("PRC Company Law"), which was promulgated by the Standing Committee of the National People's Congress ("NPC Standing Committee") on December 29, 1993 and last amended on December 29, 2023. According to the PRC Company Law, companies in the PRC are generally divided into two categories, namely limited liability companies and joint stock companies. The PRC Company Law also applies to foreign-invested companies; where the laws on foreign investment provide otherwise, such provisions shall prevail.

## KEY LAWS, REGULATIONS AND INDUSTRIAL POLICIES RELATING TO OUR BUSINESS

**Regulations on Intelligent Connected Vehicles**

The Ministry of Industry and information Technology (the "MIIT"), the Ministry of Public Security and the Ministry of Transport jointly issued the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) on July 27, 2021, which was implemented from September 1, 2021. Any entity intending to conduct a road testing of autonomous driving vehicles must obtain a road-testing certificate and a temporary license plate for each tested vehicle. To obtain above testing certificate and temporary license plate, an applicant entity must satisfy, among others, the following requirements: (1) it must be an independent legal person registered within PRC with the capacity to conduct intelligent connected vehicles-related businesses such as manufacturing, technological research and testing of vehicles and vehicle parts, which has established protocol to test and assess the performance of autonomous driving system and is capable of conducting real-time remote monitor of the road tested vehicles, and with the ability of event recording, analysis and reproduction of the vehicles under road testing and ensuring the network security of the vehicles under road testing and the remote monitor platforms; (2) the vehicle under road testing must be equipped with a driving system that can switch between autonomous pilot mode and human operating mode in a safe, quick and simple manner and allows human driver to take control of the vehicle any time immediately when necessary; (3) the tested vehicle must be equipped with the functions of recording, storing and real-time monitoring the condition of the vehicle and is able to transmit real-time data of the vehicle, such as the driving mode, location and speed; (4) the applicant entity must sign an employment contract or a labor service contract with the driver of the tested vehicle, who must be a licensed driver with more than three years' driving experience and a track record of safe driving and is familiar with the testing protocol for autonomous driving system and proficient in operating the system; (5) the applicant entity must insure each tested vehicle for at least RMB5 million against car accidents or provide a letter of guarantee covering the same. In addition, during testing, the testing entity should post a noticeable identification logo for autonomous driving test on each tested car and should not use autonomous driving mode unless in the permitted testing areas specified in the road-testing certificate. If the testing entity intends to conduct road testing in the region beyond the administrative territory of the certificate issuing authority, it must apply for a separate road-testing certificate and a separate temporary license plate from the relevant authority supervising the road-testing of autonomous cars in that region.

According to the Opinions on Strengthening the Access Administration of Intelligent Connected Vehicles Manufacturers and Products (《關於加強智能網聯汽車生產企業及產品准入管理的意見》), issued by the MIIT on July 30, 2021 and came into effect on the same day, manufacturers of intelligent connected vehicles should strengthen their capabilities in vehicle data security management and vehicle cybersecurity assurance; regulate online upgrade activities for vehicle products, ensure the safety of such upgrades, and shall not add intelligent driving assistance functions to vehicles through online software upgrades or updates without approval.

According to the Notice on Carrying out Pilot Work on the Access and Road Operation of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) jointly issued by the MIIT, the Ministry of Public Security, the Ministry of Housing and Urban-Rural Development, and the Ministry of Transport on November 17, 2023 and came into effect on the same day, based on the road testing and demonstrative application of intelligent connected vehicles, relevant departments will select intelligent connected vehicle products equipped with automated driving functions that are ready for mass production and carry out access pilots. For intelligent connected vehicle products that have obtained access, road operation pilots will be conducted in restricted areas. Vehicles used for transport operations must meet the operational qualifications and operation management requirements of the transportation authorities. The automated driving functions equipped in intelligent connected vehicles refer to Level 3 and Level 4 driving automation as defined in the national standard Taxonomy of Driving Automation for Vehicles (GB/T 40429–2021) (《汽車駕駛自動化分級》(GB/T 40429–2021)). Pilot vehicle manufacturers shall refine and improve the access testing and safety assessment plans for intelligent connected vehicle products, and after confirmation by the MIIT and the Ministry of Public Security, carry out product testing and safety assessment under the supervision of provincial competent departments and the government departments of the city where the vehicle operates. The MIIT entrusts technical service agencies to evaluate the product testing and safety assessment plans, implementation, and results. Pilot vehicle manufacturers shall connect their vehicles to the pilot management system of the MIIT in accordance with monitoring requirements. Only after passing the product testing and safety assessment may pilot vehicle manufacturers submit an application for product access to the MIIT. Intelligent connected vehicle products that have obtained access may carry out road operation pilots in restricted areas. Pilot users shall purchase insurance for the vehicles as required, apply for registration, monitor the vehicle operation status, and strengthen vehicle operation safety guarantees. During the pilot implementation, for traffic accidents, network and data security incidents, or emergencies caused by the failure of the vehicle's automated driving system, the pilot users, pilot vehicle manufacturers, and the government departments of the city where the vehicle operates shall handle the incidents properly in accordance with relevant emergency plans.

**Regulations on Automotive Data Security**

The Cyberspace Administration of China ("**CAC**"), the National Development and Reform Commission ("**NDRC**"), the Ministry of Public Security, the MIIT and the Ministry of Transport jointly promulgated the Several Provisions on the Management of Automotive Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) ("**Provisions on Automotive Data Security**"), which came into effect on October 1, 2021, aiming to regulate the collection, storage, use, processing, transmission, provision, and public disclosure of personal information and important data generated by automobile designers, manufacturers, and service providers throughout the entire automotive life cycle. Relevant automotive data processors, including automobile manufacturers, component and software providers, dealers, maintenance suppliers, and mobility service companies, must process personal information and important data in accordance with applicable laws during the process of automobile design, manufacturing, sales, operation, maintenance, and management. When processing personal information, automotive data processors shall obtain individual consent or comply with other circumstances stipulated by laws and regulations. The state encourages the lawful, reasonable, and effective use of automotive data, and advocates that automotive data processors adhere to the following when carrying out automotive data processing activities: (1) the principle of in-car processing, whereby data is not provided outside the vehicle unless necessary; (2) the principle of non-collection by default, whereby the default setting for each drive is non-collection unless autonomously set by the driver; (3) the principle of application of precision range, whereby the coverage and resolution of cameras, radars, etc., are determined based on the data precision requirements of the functions and services provided; and (4) the principle of desensitization processing, whereby processing such as anonymization and de-identification should be performed as much as possible. According to the Provisions on Automotive Data Security, personal information and important data involving automobiles shall be stored within the territory in principle. Where it is necessary to provide such data overseas, a cross-border data security assessment shall be conducted by the national cyberspace administration department in conjunction with the relevant departments of the State Council. When processing important data, automotive data processors shall conduct a risk assessment in accordance with regulations and submit a risk assessment report to the relevant provincial-level departments.

**Industrial Policies relating to Our Business**

The New Energy Vehicle Industry Development Plan (2021–2035) (《新能源汽車產業發展規劃（2021–2035年）》), effective from October 20, 2020, sets forth a development vision that by 2025, the market competitiveness of the PRC's new energy vehicles will be significantly enhanced, major breakthroughs will be made in key technologies such as power batteries, drive motors, and in-vehicle operating systems, and safety levels will be comprehensively improved; the average electricity consumption of new pure electric passenger vehicles will be reduced to 12.0 kWh/100 km, sales of new energy vehicles will account for about 20% of total new vehicle sales, highly autonomous vehicles will achieve commercial application in limited areas and specific scenarios, and the convenience of battery charging and swapping services will be significantly improved.

The 14th Five-Year Plan for National Economic and Social Development and the Outline of Vision 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), effective from March 12, 2021, calls for the development and strengthening of strategic emerging industries, focusing on seizing opportunities in future industrial development, cultivating pioneering and pillar industries, and promoting the integrated, clustered, and ecological development of strategic emerging industries, with the added value of strategic emerging industries exceeding 17% of GDP; building new pillars of the industrial system, focusing on strategic emerging industries such as new generation of information technology, biotechnology, new energy, new materials, high-end equipment, new energy vehicles, green and environmental protection, as well as aerospace and marine equipment, to accelerate the innovative application of key core technologies, enhance the capacity of factor support, and cultivate new drivers for industrial development.

The 14th Five-Year Plan for the Development of a Modern Comprehensive Transportation System (《「十四五」現代綜合交通運輸體系發展規劃》), issued by the NDRC and the National Energy Administration on December 9, 2021, proposes to strengthen the research and reserve of forward-looking and strategic technologies in the transportation sector, and to enhance technology research and development in fields such as intelligent connected vehicles, autonomous driving, vehicle-road collaboration, autonomous ship navigation, and ship-shore collaboration.

The Notice on Supporting the Construction of a New Generation of Artificial Intelligence Demonstration Application Scenarios (《關於支持建設新一代人工智能示範應用場景的通知》), issued by the Ministry of Science and Technology on August 12, 2022, proposes to address the demand for expanding autonomous driving from specific roads to conventional roads by utilizing key technologies such as high-accuracy environmental perception and beyond-line-of-sight information sharing through the fusion of vehicle-side and road-side sensors, and collaborative decision-making and control with vehicle-road-cloud integration, to carry out demonstration applications of autonomous driving scenarios under complex driving conditions such as intersections, roundabouts, and ramps, and to promote the development of scenarios such as unmanned logistics on expressways, high-level autonomous vehicles, intelligent connected busses, and autonomous valet parking.

The Notice of the Ministry of Industry and Information Technology and the State Administration for Market Regulation on Further Strengthening the Management of Product Access, Recall and Software Online Upgrades for Intelligent Connected Vehicles (《工業和信息化部

市場監管總局關於進一步加強智能網聯汽車產品准入、召回及軟件在線升級管理的通知》), issued by the MIIT and the State Administration for Market Regulation on February 25, 2025, strengthens product access management for intelligent connected vehicle products with combined driving assistance systems and software online upgrade (OTA upgrade) functions, requiring enterprises to supplement and add technical parameters related to combined driving assistance systems and OTA upgrade information in the main technical parameter table of vehicle products, and to submit verification materials such as relevant inspection and testing reports. The notice clarifies that for OTA upgrade activities that do not involve changes to the main technical parameters of the product, enterprises may implement the upgrade after completing the filing; for those involving changes to the main technical parameters of the product, enterprises shall implement the upgrade only after obtaining a product change permit and completing the filing; for OTA upgrade activities involving autonomous driving functions of vehicles, the corresponding permit shall be obtained in accordance with the relevant provisions on access management. At the same time, enterprises shall ensure that their products comply with relevant national regulations on cybersecurity, data security, and personal information protection.

The Key Points of Automotive Standardization Work in 2025 (《2025年汽車標準化工作要點》), issued and implemented by the MIIT on April 28, 2025, mentions strengthening the supply of standards for intelligent connected vehicles, promoting the development of standards for intelligent cockpit function evaluation, interactive safety, and bioretention monitoring, improving the standard system for intelligent cockpit and human-computer interaction, carrying out pre-research on standards for in-vehicle artificial intelligence to lead the integrated application of new technologies; and accelerating the formulation and revision of standards for automotive chips, and completing the intelligent cockpit computing chip.

The Work Plan for Stabilizing Growth in the Automotive Industry (2025–2026) (《汽車行業穩增長工作方案(2025–2026年)》), issued by the MIIT, the Ministry of Public Security, the Ministry of Finance, the Ministry of Transport, the Ministry of Commerce, the General Administration of Customs, the State Administration for Market Regulation, and the National Energy Administration on September 12, 2025, proposes to promote the high-quality and efficient development of key and urgently needed standards for new energy vehicles, power batteries, autonomous driving, and automotive chips; and to deeply carry out pilot applications of "vehicle-road-cloud integration" for intelligent connected vehicles, and accelerate the construction of connected infrastructure and cloud control platforms.

**Regulations on Internet Information Security**

On October 28, 2025, the NPC Standing Committee revised the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) ("**Cybersecurity Law**"), which came into effect on January 1, 2026, and applies to the construction, operation, maintenance, and use of networks within the territory of the People's Republic of China, as well as the supervision and management of cybersecurity. The Cybersecurity Law stipulates that network operators are required to perform various obligations related to cybersecurity protection, including but not limited to: (1) fulfilling security protection obligations in accordance with the requirements of the cybersecurity classified protection system; (2) formulating emergency response plans to promptly respond to and handle security risks; activating emergency response plans, taking corresponding remedial measures, and reporting to the relevant competent authorities in the event of an incident that endangers cybersecurity; and (3) adhering to the principles of legality, legitimacy, and necessity, publicizing rules for collection and use, clearly stating the purpose, method, and scope of information collection and use, and obtaining the consent of the data subjects.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated by the NPC Standing Committee on June 10, 2021 and effective from September 1, 2021, stipulates that entities and individuals carrying out data activities shall establish a data classification and grading protection system. The National Coordination Mechanism for Data Security coordinates the efforts of the relevant departments to formulate a catalog of important data and strengthen the protection of important data.

On December 28, 2021, the CAC, the National Development and Reform Commission, the MIIT, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance, the Ministry of Commerce, the People's Bank of China, the State Administration for Market Regulation, the National Radio and Television Administration, the China Securities Regulatory Commission, the National Administration of State Secrets Protection, and the State Cryptography Administration promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on February 15, 2022. According to the Cybersecurity Review Measures (《網絡安全審查辦法》), there are two trigger mechanisms for a cybersecurity review: (1) Voluntary declaration for review by the enterprise: Applicable where (i) a critical information infrastructure operator procures network products and services that affect or may affect national security; (ii) a network platform operator carries out data processing activities that affect or may affect national security; (iii) a network platform operator holding personal information of more than 1 million users goes for listing abroad; and (2) Review initiated by regulatory authorities: Where member units of the cybersecurity review mechanism believe that network products and services and data processing activities affect or may affect national security. In such cases, the cybersecurity review shall be initiated by the Cybersecurity Review Office after reporting to and obtaining approval from the Central Cyberspace Affairs Commission.

The Regulations on the Management of Network Data Security (《網絡數據安全管理條例》), which came into effect on January 1, 2025, and provides detailed guidance on existing regulations concerning all aspects of data processing, including the announcement of data processing rules by processors, obtaining consent and separate consent, security of important data and cross-border data transfer, and other obligations of network platform operators.

**Regulations on Privacy Protection**

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, the personal information of natural persons is protected by law. Information processors shall not disclose or tamper with the personal information they collect and store; without the consent of the natural person, they shall not illegally provide his or her personal information to others.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) ("**Personal Information Protection Law**"), promulgated by the NPC Standing Committee on August 20, 2021 and effective from November 1, 2021, consolidates the scattered provisions on personal information rights and privacy protection. The Personal Information Protection Law aims to protect the rights and interests of personal information, regulate the processing of personal information, ensure the orderly and free flow of personal information in accordance with the law, and promote the reasonable use of personal information.

The CAC promulgated the Measures for Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) on July 7, 2022, which was implemented on September 1, 2022. These measures specify the provisions and procedures for the security assessment of the cross-border transfer of important data or personal information collected and generated within the territory of the PRC. On February 22, 2023, the CAC issued the Measures on the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which was implemented on June 1, 2023, clarifying that personal information processors who carry out outbound transfer of personal information by concluding a standard contract shall meet certain conditions and file the signed standard contract with the provincial-level cyberspace administration department at their locality. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》) ("**Promotion Provisions**"), which further adjust the scope, exemption conditions, and procedures applicable to the security assessment of cross-border data transfer and the filing mechanism for standard contracts for the outbound transfer of personal information. According to the aforesaid measures and provisions, a data processor providing data overseas shall, if any of the following conditions are met, declare a data cross-border security assessment to the national cyberspace administration department through the provincial-level cyberspace administration department at its locality: (1) a critical information infrastructure operator provides personal information or important data overseas; and (2) a data processor other than a critical information infrastructure operator provides important data overseas, or has cumulatively provided personal information of more than 1 million people (excluding sensitive personal information) or sensitive personal information of more than 10,000 people overseas since January 1 of the current year, unless the exemption circumstances stipulated in Articles 3 to 6 of the Promotion Provisions are met. A data processor other than a critical information infrastructure operator shall conclude a standard contract for the outbound transfer of personal information with the overseas recipient for filing or adopt personal information protection certification in the following circumstances: (1) having cumulatively provided personal information of more than 100,000 people but less than 1 million people (excluding sensitive personal information) overseas since January 1 of the current year; (2) having cumulatively provided sensitive personal information of less than 10,000 people overseas since January 1 of the current year, unless the exemption circumstances stipulated in Articles 3 to 6 of the Promotion Provisions are met.

**Regulations on Foreign Investment**

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) ("**Foreign Investment Law**"), which became effective on January 1, 2020. The Foreign Investment Law (《外商投資法》) establishes a basic framework for the access, promotion, protection, and management of foreign investment through legislation from the perspectives of investment protection and fair competition. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) ("**Implementation Regulations**"), which became effective on January 1, 2020, further clarifying that the state encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investment, regulates foreign investment management, continuously optimizes the foreign investment environment, and promotes a higher level of opening up.

On December 15, 2025, the Ministry of Commerce of the People's Republic of China ("**MOFCOM**") and the NDRC promulgated the Catalog of Industries for Encouraged Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) ("**Encouraged Catalog**"), which became effective on February 1, 2026. On September 6, 2024, the MOFCOM and the NDRC promulgated the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) ("**Negative List**"), which will become effective on November 1, 2024. The Encouraged Catalog (《鼓勵目錄》) and the Negative List (《負面清單》) set out the basic framework for foreign investment in China, dividing foreign-invested industries into three categories: "encouraged" category, "restricted" category and "prohibited" category. Foreign investors are not allowed to invest in the fields prohibited by the Negative List (《負面清單》), and for the fields restricted by the Negative List, they shall comply with the prescribed investment conditions; foreign investment outside the Negative List shall be managed in accordance with the principle of equal treatment for domestic and foreign investment.

**Regulations on Overseas Investment**

According to the Administrative Measures for Overseas Investment (2014) (《境外投資管理辦法(2014)》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial-level commerce authorities shall implement filing or approval management depending on the different circumstances of enterprise overseas investment. Approval management shall be implemented for enterprise overseas investments involving sensitive countries and regions or sensitive industries. Filing management shall be implemented for overseas investments under any other circumstances.

According to the Administrative Measures for Enterprise Outbound Investment (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and effective from March 1, 2018, enterprises within the territory of the PRC ("Investors") carrying out overseas investment shall perform the applicable approval, filing or other procedures for overseas investment projects ("Projects"), report relevant information, and cooperate with supervision and inspection. Sensitive projects carried out by investors directly or through their controlled overseas enterprises are subject to approval management; non-sensitive projects carried out directly by investors (i.e., non-sensitive projects in which investors directly invest assets or equity or provide financing or guarantees) are subject to filing management. The aforementioned sensitive projects refer to projects involving sensitive countries and regions or sensitive industries. The NDRC promulgated the Catalog of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective from March 1, 2018, which details the sensitive industries for overseas investment.

**Regulations on Product Quality**

The Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) ("Product Quality Law"), promulgated by the NPC Standing Committee and last revised on December 29, 2018, applies to all production and sales activities within the territory of the PRC. According to the Product Quality Law (《產品質量法》), products sold must comply with relevant quality and safety standards. Enterprises shall not produce or sell counterfeit or substandard products in any way, including forging brand logos or providing false information about product manufacturers. Violation of national or industry health and safety standards and any other related violations may result in civil liability and administrative penalties, such as damages, fines, orders to cease production or business, and confiscation of illegally produced and sold products and sales proceeds. In serious cases, the responsible individuals or enterprises may be held criminally liable. In case of personal injury or property damage caused by a defective product, the victim may claim compensation from the producer or seller of the product. If it is the responsibility of the producer of the product and the seller of the product has paid compensation, the seller of the product has the right to seek recourse from the producer of the product. Similarly, if it is the responsibility of the seller of the product and the producer of the product has paid compensation, the producer of the product has the right to seek recourse from the seller of the product.

According to the Implementing Measures for the Regulations on the Administration of Recall of Defective Automobile Products (2020 Revision) (《缺陷汽車產品召回管理條例實施辦法(2020年修訂)》), promulgated by the State Administration for Market Regulation on October 23, 2020 and effective immediately, producers of automobiles and automobile trailers are the subjects of recall for defective automobiles, and producers of automobile parts shall report relevant information on defective automobiles to the State Administration for Market Regulation and producers of automobiles and automobile trailers. The State Administration for Market Regulation and its entrusted market supervision departments have the right to conduct on-site investigations at the premises of automobile parts producers, and automobile parts producers shall cooperate in the investigation of defective automobiles and provide relevant materials required for the investigation.

**Regulations on the Import and Export of Goods**

The Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), promulgated by the NPC Standing Committee on May 12, 1994 and last revised on December 27, 2025, and the Regulations of the People's Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), promulgated by the State Council on December 10, 2001 and last revised on March 10, 2024, both stipulate that, unless otherwise provided by relevant laws or administrative regulations, the state permits the free import and export of goods and technologies, and all entities engaged in the import and export of goods must comply with applicable laws and regulations. The Customs Law of the People's Republic of China (《中華人民共和國海關法》), promulgated on January 22, 1987 and last revised on April 29, 2021, stipulates that, among other things, consignees and consignors of import and export goods or customs declaration agents shall file with the relevant customs authorities before handling any customs declaration procedures. The Provisions of the Customs of the People's Republic of China on the Administration of the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective from January 1, 2022, further detail the documents required for filing and the requirements for reporting to the relevant customs authorities when specific changes occur in the filing information.

**Regulations on Production Safety**

The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) ("Work Safety Law"), promulgated by the NPC Standing Committee on June 29, 2002 and last revised on June 10, 2021, applies to all units engaged in production and business activities in the PRC. Such units shall, in accordance with the Work Safety Law (《安全生產法》), strengthen work safety management, establish and improve a full-staff work safety responsibility system and internal rules and regulations for work safety, increase investment in work safety funds, materials, technology and personnel, improve working conditions, strengthen the standardization and informatization of the work safety system, build a dual prevention mechanism for hierarchical control of safety risks and investigation and treatment of hidden dangers, improve the risk prevention and resolution mechanism, and ensure work safety. Violation of the Work Safety Law (《安全生產法》), may lead to administrative penalties such as fines, suspension of business, and revocation of licenses.

**Regulations on Fire Protection**

According to the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) ("Fire Protection Law"), issued by the NPC Standing Committee on April 29, 1998 and last revised on April 29, 2021, for special construction projects specified by the competent housing and urban-rural development department of the State Council, the construction unit shall submit the fire protection design documents to the competent housing and urban-rural development department for review; for other construction projects other than those specified in the preceding paragraph, the construction unit shall provide fire protection design drawings and technical data that meet the construction needs when applying for a construction permit or applying for approval of a work commencement report.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance 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 on April 1, 2020 and last revised on August 21, 2023, special construction projects as defined in these provisions shall undergo fire protection design review and fire protection acceptance, and construction projects other than special construction projects shall be filed with the competent department for fire protection acceptance of the project.

## REGULATIONS ON ENVIRONMENTAL PROTECTION

**Environmental Protection**

The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), promulgated by the NPC Standing Committee on December 26, 1989 and last revised on April 24, 2014, outlines the powers and responsibilities of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC ("MEE") has the authority to promulgate national environmental quality standards and national pollutant discharge standards, and to implement unified supervision and management of environmental protection work nationwide. At the same time, local environmental protection authorities may formulate local pollutant discharge standards that are stricter than the national pollutant discharge standards, and relevant enterprises must comply with both national and local standards.

**Environmental Impact Assessment**

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) promulgated by the NPC Standing Committee on December 29, 2018, the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and last revised on July 16, 2017, and the Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects promulgated by the former Ministry of Environmental Protection (《建設項目竣工環境保護驗收暫行辦法》) on November 20, 2017, the PRC implements an environmental impact assessment system for construction projects. The construction unit shall, before the commencement of construction, submit the environmental impact report and environmental impact report form for approval or file the environmental impact registration form in accordance with the regulations of the competent administrative department for environmental protection of the State Council. In addition, after the completion of a construction project for which an environmental impact report or environmental impact report form has been prepared, the construction unit shall, in accordance with the standards and procedures prescribed by the competent administrative department for environmental protection of the State Council, conduct an acceptance inspection of the supporting environmental protection facilities and prepare an acceptance report. If the acceptance inspection is not conducted or fails, the project shall not be put into production or use.

**Pollutant Discharge**

According to the Administrative Measures for Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the MEE on April 1, 2024 and effective on July 1, 2024, and the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective on March 1, 2021, enterprises, public institutions, and other producers and business operators included in the classified management catalog of pollutant discharge permits for fixed pollution sources issued by the MEE must apply for and obtain a pollutant discharge permit within the prescribed time. According to the Guidelines for the Registration of Pollutant Discharge from Fixed Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the MEE on January 6, 2020, for enterprises with small pollutant emissions and minor environmental impact, although they are not required to apply for a pollutant discharge permit, they still need to register for pollutant discharge from fixed pollution sources.

**Regulations on Real Estate**

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) ("Civil Code"), the establishment, change, transfer and extinguishment of real property rights shall take effect upon registration in accordance with the law; without registration, the establishment, change, transfer and extinguishment shall not take effect, unless otherwise provided by law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014 and last revised on March 10, 2024, and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources on January 1, 2016 and last revised on May 9, 2024, real estate registration shall be handled by the registration authority at the location of the real estate.

**Regulations on House Leasing**

According to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010 and effective on February 1, 2011, within 30 days after the conclusion of a house lease contract, the parties to the house lease shall go to the competent construction (real estate) department of the people's government of the municipality directly under the central government, city, or county where the leased house is located to handle the registration and filing of the house lease. If an individual or entity violates the above provisions, the competent construction (real estate) department of the people's government of the municipality directly under the central government, city, or county shall order it to make corrections within a time limit. If an individual fails to make corrections within the time limit, a fine of less than RMB1,000 shall be imposed; if a unit fails to make corrections within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

## REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

### Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the NPC Standing Committee on March 12, 1984 and last revised on October 17, 2020 and the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001 and last revised on December 11, 2023, patents in the PRC are divided into invention patents, utility model patents and design patents. The terms of patent rights for inventions, utility models and designs are twenty years, ten years and fifteen years, respectively, calculated from the date of application. No person may use a patent without the permission or authorization of the patentee. Otherwise, the use of such patent constitutes an infringement of the patent right.

### Trademark

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the NPC Standing Committee on August 23, 1982 and last revised on April 23, 2019 and the Regulations on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and last revised on April 29, 2014, trademarks approved for registration by the Trademark Office are registered trademarks, including commodity trademarks, service trademarks, collective trademarks and certification trademarks. The validity period of a registered trademark is ten years, calculated from the date of approval of registration. Where the validity period of a registered trademark expires and continued use is required, the trademark registrant shall complete the renewal procedures within the twelve months prior to the expiration. The validity period of each renewal of registration is ten years, starting on the date of expiration of the previous validity period of the trademark.

### Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the NPC Standing Committee on September 7, 1990 and last revised on November 11, 2020, works of PRC citizens, legal persons or unincorporated organizations, which refer to intellectual achievements in the literary, artistic and scientific fields that are original and can be expressed in a certain form, shall enjoy copyright, whether published or not.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) revised by the State Council on January 30, 2013 and effective on March 1, 2013, the National Copyright Administration is responsible for the administration of software copyright registration nationwide and has designated the Copyright Protection Center of China as the software registration authority. The Copyright Protection Center of China will issue registration certificates to applicants for computer software copyright that comply with the provisions of the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》).

### Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017 and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names for Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and effective on January 1, 2018, the MIIT supervises and administers domain name services nationwide. Domain names used by internet information service providers for providing internet information services shall be legally and validly registered and owned by them. Domain name registration is handled through domain name service agencies established in accordance with relevant regulations, and the applicant becomes the domain name holder upon successful registration.

### Trade Secrets

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) ("**Anti-Unfair Competition Law**") promulgated by the NPC Standing Committee on September 2, 1993 and last revised on June 27, 2025, "trade secrets" refer to technical information, operational information and other commercial information that is not known to the public, has commercial value and for which the rights holder has taken corresponding confidentiality measures. According to the Anti-Unfair Competition Law (《反不正當競爭法》), business operators shall not commit the following acts of infringing upon others' trade secrets: (1) obtaining the trade secrets of a rights holder by theft, bribery, fraud, coercion, electronic intrusion or other illicit means; (2) disclosing, using or allowing others to use the trade secrets of a rights holder obtained by the means mentioned in the preceding item; (3) disclosing, using or allowing others to use the trade secrets in its possession in violation of confidentiality obligations or in violation of the rights holder's requirements for maintaining the confidentiality of trade secrets; or (4) instigating, inducing, or assisting others to obtain, disclose, use or allow others to use the trade secrets of a rights holder in violation of confidentiality obligations or in violation of the rights holder's requirements for maintaining the confidentiality of trade secrets. If a rights holder's trade secrets are infringed upon by any person, the regulatory authorities may order the cessation of the illegal act, confiscate the illegal gains, and impose a fine on the infringer.

## REGULATIONS ON LABOR AND SOCIAL WELFARE

### Labor

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the NPC Standing Committee on July 5, 1994 and last revised on December 29, 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the Standing Committee of the National People's Congress on June 29, 2007 and last revised on December 28, 2012, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008, a labor relationship between an employer and an employee must be established in written form. Where a labor relationship has been established but a formal contract has not yet been concluded, a written labor contract shall be signed within one month from the date the employee commences work. Employers must establish a labor safety and health system, strictly implement national standards, and provide relevant training for employees.

On July 31, 2025, the Supreme People's Court of the PRC promulgated the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law 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)》) ("New Judicial Interpretation"), which will take effect on September 1, 2025. Article 19(1) of this interpretation stipulates that if an employer and an employee agree, or an employee promises, that there is no need to pay social insurance premiums, the people's court shall deem such agreement or promise invalid. In addition, when an employer fails to pay social insurance premiums in accordance with the law, if an employee requests to terminate the labor contract and demands economic compensation in accordance with Article 38(3) of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the people's court shall support such request in accordance with the law.

**Social Insurance and Housing Provident Fund**

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the NPC Standing Committee on October 28, 2010 and revised on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and revised on March 24, 2019, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council and last revised on March 24, 2019, employers in the PRC shall provide their employees with welfare plans including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund. Employers who fail to pay the aforesaid social insurance and housing provident fund may be fined and ordered to make full payment within a specified time limit. If an employer still fails to pay the social insurance and housing provident fund after the deadline, an application may be made to a people's court for compulsory collection.

## REGULATIONS ON TAXATION

**Enterprise income tax**

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) ("EIT Law"), which was last revised on December 29, 2018. On December 6, 2007, the State Council formulated the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), which took effect on January 1, 2008 and was last revised on December 6, 2024. According to the EIT Law and its implementation regulations, both resident enterprises and non-resident enterprises are subject to taxation in the PRC. A resident enterprise refers to an enterprise that is established in the PRC under PRC law, or that is established under foreign law but whose actual management is located in the PRC. A non-resident enterprise refers to an enterprise that is established under foreign law and whose actual management is not in the PRC, but which has an establishment or place of business in the PRC, or which has no establishment or place of business in the PRC but has income sourced from within the PRC. According to the EIT Law and its relevant implementation regulations, resident enterprises are subject to a uniform enterprise income tax rate of 25%. According to the EIT Law, the enterprise income tax rate for high and new technology enterprises is 15%.

**Value-added tax**

According to the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) promulgated by the NPC Standing Committee on December 25, 2024, which will take effect on January 1, 2026 and simultaneously repeal the Interim Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), all entities and individuals (including private enterprises or individual industrial and commercial households) that sell goods, services, intangible assets, real estate and import goods within the PRC are VAT payers and shall pay VAT. Unless otherwise stipulated, the tax rate is 13% for the sale of goods, processing, repair and replacement services, and tangible movable property leasing services; 9% for the sale of transportation, postal, basic telecommunications, construction, real estate leasing services, sale of real estate, transfer of land use rights, and the sale or import of legally specified goods; 6% for the sale of services and intangible assets; and zero for exported goods, unless otherwise stipulated by the State Council.

**Regulations on Foreign Exchange**

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last revised on August 5, 2008, foreign exchange revenue from current account items may be retained with or sold to financial institutions that conduct foreign exchange settlement and sales business. However, capital account transactions related to foreign-invested enterprises, such as capital increases and reductions, require prior approval from the State Administration of Foreign Exchange or its local branches. Foreign-invested enterprises may purchase foreign exchange for foreign exchange transactions related to trade and services without the approval of the State Administration of Foreign Exchange, provided that they provide documents to prove such transactions. In addition, foreign exchange transactions involving direct investment, loans, and securities investment outside the PRC are also restricted and require approval from the State Administration of Foreign Exchange.

According to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Businesses (《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》), promulgated and effective on April 10, 2020, the reform of facilitating the payment of capital account revenue was promoted nationwide. On the premise of ensuring that the use of funds is authentic and compliant and in line with the current management regulations on the use of capital account revenue, eligible enterprises are allowed to use capital account revenue such as capital, foreign debt, and overseas listing proceeds for domestic payments without having to provide authenticity verification materials to the bank on a case-by-case basis in advance.

The Guidelines for Foreign Exchange Business under Capital Accounts (2024 Edition) (《資本項目外匯業務指引(2024年版)》) promulgated on April 3, 2024 set out standard requirements for securities investment management and other related foreign exchange businesses, providing operational guidance on matters such as foreign exchange procedures for new registration, change and cancellation registration related to overseas listings of domestic companies, and registration of shareholdings by domestic shareholders.

**Regulations on Overseas Listing**

According to the Securities Law of the People's Republic of China (《中華人民共和國證券法》), last revised by the NPC Standing Committee on December 28, 2019, domestic enterprises that directly or indirectly issue securities overseas or list their securities overseas must comply with the relevant regulations of the State Council. For domestic companies whose shares are subscribed for and traded in foreign currencies, specific measures shall be separately stipulated by the State Council. The CSRC is a securities regulatory institution established by the State Council, responsible for supervising and managing the securities market in accordance with the law, maintaining securities market order, and ensuring its lawful operation. Currently, the issuance and trading of H-shares are mainly regulated by the regulations and rules promulgated by the State Council and the CSRC.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Issuance of Securities and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) ("Overseas Listing Trial Measures") and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures (《境外上市試行辦法》), mainland PRC companies that directly or indirectly issue securities or list in overseas markets, including joint stock companies in mainland PRC and overseas companies that primarily conduct business operations in mainland PRC and intend to offer shares or list in overseas markets based on their equity, assets, or similar rights and interests in mainland PRC, must file with the CSRC within three working days after submitting their listing application documents to the regulatory authority of the proposed listing venue. Companies that fail to complete the filing in accordance with the Overseas Listing Trial Measures (《境外上市試行辦法》) or conceal any material facts or falsify any major content in the filing documents may be subject to administrative penalties such as orders to make corrections, warnings, and fines, and their controlling shareholders, actual controllers, directly responsible supervisors, and other directly responsible personnel may also be subject to administrative penalties such as warnings and fines.

On February 24, 2023, the CSRC, together with other relevant departments, promulgated the Provisions on Strengthening Confidentiality and Archives Management of Overseas Issuance of Securities 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》) ("Confidentiality and Archives Management Provisions"), which took effect on March 31, 2023. According to the Confidentiality and Archives Management Provisions, if a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entity, documents and materials involving state secrets or the work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies, and other entities and individuals, it shall report to the competent approval department for approval in accordance with the law and file with the confidentiality administrative department at the same level. When providing accounting archives or copies of accounting archives to entities and individuals such as securities companies, securities service institutions, and overseas regulatory agencies, domestic enterprises shall follow the corresponding procedures in accordance with relevant state regulations. Working papers and other archives formed within the PRC by securities companies and securities service institutions providing relevant services for the overseas issuance and listing of domestic enterprises shall be stored within the PRC, and any archives required to be transferred out of the country shall be subject to approval procedures in accordance with relevant laws and regulations.