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## REGULATORY OVERVIEW

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### PRC LAWS AND REGULATIONS

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section sets out a summary of the most significant relevant laws, regulations, rules and policies that are applicable to our current business activities in the PRC.

#### Laws and Regulations on Manufacturing and Sales of Foods

##### *Food Safety*

Pursuant to the Food Safety Law of the PRC (《中華人民共和國食品安全法》, the “**Food Safety Law**”) promulgated by the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會, the “SCNPC”) on 28 February 2009, revised on 12 September 2025, and came into effect on 1 December 2025, as well as the Regulation on the Implementation of the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》, the “**Implementation of the Food Safety Law**”) promulgated by the State Council on 20 July 2009 and amended respectively on 6 February 2016, 11 October 2019 and came into effect on 1 December 2019: (1) any entity engaging in food production, food sales and catering services shall obtain the relevant license. However, no permit is required for the sale of edible agricultural products or only pre-packed food; (2) food production and operation shall comply with food-safety standards and certain other requirements. Food producers shall not purchase or use raw food materials, food additives or food related products which do not meet food-safety standards; (3) each food producer or operator shall establish and implement a personnel health management system. Each worker who engages in food production or operation is required to take a physical examination each year and obtain health certificate prior to working; and (4) food producers shall check the licenses and the product qualification certificate of their suppliers before purchasing raw food materials, food additives and food-related products from them. Each food production enterprise shall establish a procurement check record system and a food ex-factory check record system and ensure the records are authentic, and the records and vouchers shall be kept for at least six months after the expiration of the shelf life of the products; if there is no explicit shelf life, they shall be kept for no less than two years.

The PRC has established a food recall system. When a food producer finds that the food produced by it does not comply with food safety standards or there is any evidence that it may be harmful to human health, it shall immediately stop production, recall the food on the market, notify the relevant producers, traders and consumers, and record the recall and notification. When a food trader finds that the food traded by it has the situations specified above, it shall immediately stop trading such food, notify the relevant producers, traders and consumers, and record the cessation of trading and the notification. Food producers and traders shall take measures (including but not limited to harmless disposal and destruction) for the recalled food, and report the food recall and handling to the local food safety supervision and administration department of the people’s government at the county level. Where the food producers or traders fail to recall or stop producing or trading the food under Article 63 of the Food Safety Law, the food safety supervision and administration department of the people’s government at or above the county level shall order them to recall or stop trading.

##### *License and Filing for Food Manufacturing and Trading*

Pursuant to the Food Safety Law and the Regulation on the Implementation of the Food Safety Law, the PRC adopts a licensing system for food production and trade, and an enterprise engaging in production, sale of food or catering services shall legally obtain the license. However, for those who engage in the sales of edible agricultural products or only sell pre-packaged food products, obtaining a license is not required. Food operators that only sell pre-packaged food shall report to the food safety regulatory department of the local people’s government at or above the county level for the recordation.

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Pursuant to the Administrative Measures for Food Production Licensing (《食品生產許可管理辦法》) which was promulgated on 2 January 2020 by the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局, the “SAMR”) and came into force on 1 March 2020, a food production license shall be obtained in accordance with the laws to engage in food production activities within the territory of the PRC. The date of issuance of the food production license shall be the date when the licensing decision is made and the license shall be valid for five years. When applying for a production license for special foods such as health food, food for special medical purposes, and infant formula food, the applicant shall also submit the production quality management system documents applicable to the foods produced, as well as the relevant registration and filing documents. Food producers who have engaged in the food production activities without the food production licensing shall be punished by the local market regulatory authority at or above the county level according to the Article 122 of the Food Safety Law.

In accordance with the Administrative Measures for Food Operation Licensing and Filing (《食品經營許可和備案管理辦法》) which was promulgated by the SAMR on 15 June 2023 and came into force on 1 December 2023, a food operation license shall be obtained to engage in food selling and dining services in the PRC. The date of issuance of the food operation license shall be the date when the licensing decision is made and the license shall be valid for five years. However, the license is not required where only packaged food is sold. In the event that only packaged food is sold, record-filing shall be completed at the food safety administrations of the people’s governments at the county level at the places where the food seller is located. A food operator which has obtained a food operation license is not required to file for additional business of selling prepackaged food separately. The Administrative Measures for Food Operation Licensing and Filing shall apply to the application, acceptance, review, and decision-making in regard to food operation licensing, the filing for selling only prepackaged food (including dietary supplements, food for special medical purposes, infant formula milk powder and other infant formula food, as well as other special food), and the relevant supervision and inspection.

### ***The Production of Food Additives***

In accordance with the Administrative Measures for Food Production Licensing, those intending to engage in the production of food additives shall obtain a food additive production license. To apply for a production license for food additives, an applicant shall have premises, production equipment or facilities, food safety management personnel, professional and technical personnel, and management systems appropriate for the variety of food additives to be produced.

According to the Measures for the Administration of Food Additives Production (《食品添加劑生產管理辦法》) which was promulgated by the original Ministry of Light Industry of the PRC (the Ministry of Light Industry has ceased operation since June 1993 and currently retains the nameplate of the National Federation of Handicraft and Light Industry Cooperatives and operates jointly with the China National Light Industry Council following multiple reorganizations) on December 31, 1992 and took effect on the same day, an enterprise producing food additive products must meet the following requirements: (1) having dedicated production premises and equipment that meet hygiene requirements; (2) having professional and technical personnel with a mid-level professional title or above, technical workers meeting production requirements, and product quality testing personnel; (3) having process operation procedures and other technical documents that meet food hygiene requirements; (4) having the necessary measuring, testing instruments and equipment for normal production; (5) having dedicated warehouses and transportation tools for storing food additives; and (6) having measures for the treatment of the “Three Wastes” (wastewater, waste residue, waste gas), with the discharge of the Three Wastes complying with national discharge standards. Furthermore, except for products in trial production, the quality of food additive products must meet current national standards or industry standards. Products in trial production should have their enterprise standards formulated and filed with the local standardization

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authority and the competent industry authority. New products should have industry standards or national standards formulated for quality supervision purposes. New products that have been included in the Hygienic Standards for Uses of Food Additives shall complete the approval procedures according to the process, meet quality and hygiene requirements, and be permitted for trial production, trial marketing, and trial use for a period of one year.

According to the Measures for the New Varieties of Food Additives (《食品添加劑新品種管理辦法》) which was promulgated by the NHFPC on December 26, 2017 and became effective at the same day, the specific administrative licensing procedure for new varieties of food additives shall be governed by the Administrative License Law, the Measures for the Administration of Sanitary Administrative License and other relevant provisions. The NHFPC shall, based on the technical necessity and food safety risk assessment results, make and publish the varieties whose use has been permitted by announcement as well as the range of use and dosage thereof as national food safety standards by the prescribed procedure.

In accordance with the Notice on Further Strengthening the Supervision over the Production of Food Additives (《關於規範使用食品添加劑的指導意見》) issued by the General Office of the original Chinese Food and Drug Administration (國家食品藥品監督管理局, the “CFDA”, currently known as National Medical Products Administration of the PRC (國家藥品監督管理局, the “NMPA”)), effective as of July 20, 2016, it is strictly prohibited to use non-food substances in the production of compounded food additives, raw and auxiliary materials of unknown origin or unqualified materials in the production of edible gelatin nor industrial gelatin for the production of edible gelatin. Food additive manufacturers shall strictly organize production in accordance with relevant standards and the scope of their production license, and strictly control compounded food additives to ensure consistency with their licensed formulations.

### ***Registration and Filing for Health Food***

Registration, Filing and Labeling Pursuant to the Food Safety Law, special foods, such as health food, formula food for special medical purpose and infant formula food, shall be under strict supervision of the State. The Administrative Measures for Health Food (《保健食品管理辦法》), which was promulgated by the original Ministry of Health of the PRC (the Ministry of Health has ceased operation since the establishment of the National Health and Family Planning Commission in March 2013) on March 15, 1996 and took effect on June 1, 1996, and the Administrative Measures for Health Food Registration and Filing (《保健食品註冊與備案管理辦法》), as last amended by SAMR on October 23, 2020, stipulate the definition of health food, the registration and filing of health food, and the supervision and management thereof in detail. According to the relevant provisions of the Administrative Measures for Health Food, health food refers to the food with specific health care functions, which is suitable for specific groups due to its body regulating functions and not for the purpose of disease treatment. In pursuance of the Administrative Measures for Health Food Registration and Filing, health food using raw materials beyond the raw materials catalog for health food products and the firstly imported health food (excluding those which provide nutrients such as vitamins and minerals) shall be registered with the food safety supervision and management department under the State Council. The firstly imported health food which provide nutrients such as vitamin and minerals shall be reported to the food safety supervision and management department under the State Council for record. Other health food products shall be filed with the food safety supervision and management departments of the people’s government of the provinces, autonomous regions and municipalities directly under the Central Government. The labels and instructions samples in respect of products applying for health food registration and filing shall include the product name, raw material, condiments, effective ingredients or iconic ingredients and respective contents, suitable or unsuitable groups, healthcare functions, consumption amount and methods, specification, storage methods, best

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before date, cautions and others, as well as relevant formulation basis and explanation. The main contents of labels and instructions samples of health food shall not indicate any disease-prevention or healing function, and shall state that “This product is not a substitute for drugs”.

### *The Raw Materials and the Health Functions of Health Food*

According to the Provisions on the Administration of the Catalogue of Health Food Raw Materials and the Catalogue of Health Functions (《保健食品原料目錄與保健功能目錄管理辦法》) which was promulgated by the SAMR on 2 August 2019 and came into force on 1 October 2019, with the exception of nutrients such as vitamins and minerals, raw materials to be included in the catalog of health food raw materials shall meet the following requirements: (1) they have a history of consumption both domestically and internationally, their safety is well-established, and they have been used in registered health foods; (2) the health functions corresponding to such raw materials have been included in the current catalog of health functions; and (3) product technical requirements, including such raw materials and their usage scope, corresponding health functions, production processes, and testing methods, can be subject to standardized management, ensuring the consistency of product quality for products filed in accordance with the catalog. The SAMR shall review the materials submitted by the evaluation agency regarding the proposed inclusion or adjustment of the catalog of health food raw materials. If the requirements are met, it shall, jointly with the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會, the “NHC”) and the National Administration of Traditional Chinese Medicine (國家中醫藥管理局, the “NATCM”), timely announce the inclusion or adjustment of the catalog of health food raw materials.

According to the Provisions on the Administration of the Catalogue of Health Food Raw Materials and the Catalogue of Health Functions, health functions to be included in the catalog of health functions shall meet the following requirements: (1) they aim to supplement dietary nutrients, maintain or improve the body’s health status, or reduce risk factors for disease occurrence; (2) they address clear consumer health needs and can be correctly understood and recognized; (3) they are supported by sufficient scientific evidence, as well as scientific evaluation methods and determination criteria; (4) health functions guided by theories of traditional health preservation shall conform to traditional Chinese health preservation theories; and (5) they have a clear target population and a population for whom it is not suitable. The SAMR shall review the materials submitted by the evaluation agency regarding the proposed inclusion or adjustment of the catalog of health functions. If the requirements are met, it shall, jointly with the NHC and the NATCM, timely announce the inclusion or adjustment of the catalog of health functions.

### *Food Labeling Management*

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

According to the Measures for the Administration of Food Additives Production, the packaging label of food additive products must clearly indicate the words “Food Additive” and “For Food Use,” and it is strictly prohibited to confuse the packaging of products for food use with that of non-food

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products. Also in accordance with the Notice on Further Strengthening the Supervision over the Production of Food Additives, food additives shall be labeled and marked in strict accordance with laws and regulations such as the Food Safety Law and national food safety standards, and shall use the common names specified in national standards and the announcements on food additives approved for use by the National Health and Family Planning Commission (中華人民共和國國家衛生和計劃生育委員會, the “**NHFPC**”, currently known as the NHC). The label of food additive products shall clearly indicate “Food Additive,” and specify the storage conditions, the name and address of the producer, and the scope of use and dosage of the food additive. The name, purpose, etc., indicated on the label of compounded food additives shall comply with the provisions of the national food safety standards for compounded food additives.

### ***Advertisements for Food***

According to Advertisement Law of the PRC (《中華人民共和國廣告法》) promulgated by the SCNPC on 27 October 1994 and last amended on 29 April 2021, advertisements shall not contain fake or misleading content, nor should they deceive or mislead consumers. Advertisers shall be liable for the authenticity of advertisement contents. Advertisers, advertising agents and advertisement publishers shall abide by laws and regulations and the principles of good faith and fair competition in carrying out advertising activities.

Where an advertisement makes indications regarding the properties, functions, places of origin, purposes, quality, ingredients, price, manufacturer, validity period or promises in respect of goods or the contents, providers, forms, quality, price or promises in respect of services offered, such indications shall be accurate and clear. Whereas a gift is attached to certain goods or services supplied, the advertisement concerned should clearly define the kind, specification, quantity, period and mode of the attached gift or service. Contents that shall be explicitly indicated in advertisements as stipulated in laws and administrative regulations shall be expressed in an obvious and clear manner.

Advertisements for dietary supplements shall be reviewed by the relevant authorities before publishing, and no such advertisement shall be published without being reviewed. Advertisements for dietary supplements shall be indicated with the words that “this product cannot substitute medicines” conspicuously.

Advertisements for dietary supplements shall not contain any of the following items:(a) any assertion or guarantee for efficacy and safety; (b) any involvement of functions of disease prevention or treatment; (c) any claim or hint that the product advertised is necessary to safeguard health; (d) comparison with pharmaceuticals or other dietary supplements; (e) use of the advertisement endorsers to make any endorsements; or (f) other items as prohibited by laws and regulations.

Pursuant to the Interim Administrative Measures for Censorship of Advertisements for Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purpose (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which was promulgated by the SAMR on 24 December 2019 and became effective on 1 March 2020, the SAMR is responsible for organizing and guiding the censorship of advertisements for the dietary supplements and no advertisements for the dietary supplements may be published without censorship. If advertisements for dietary supplements give publicity only to the product name, the contents thereof shall not be subject to censorship.

The content of the dietary supplement advertisements shall be subject to those of the registration certificate or record-filing certificate approved by, or the product instructions registered by or filed with the competent department for market regulation, and shall not involve disease prevention or treatment functions. If the dietary supplement advertisements involve healthcare functions, functional or major

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ingredients and their contents, applicable groups of people, dosage, and other contents, it shall not go beyond the scope of the registration certificate or record-filing certificate, or the registered or filed product instructions.

Advertisements for dietary supplements shall prominently indicate the words “HEALTH SUPPLEMENT PRODUCT IS NOT DRUG AND CANNOT TREAT DISEASE INREPLACEMENT OF DRUG”, stating that the product cannot replace any drug, and shall prominently mark the logo of dietary supplements, the applicable groups of people and inapplicable ones.

### **Regulations on Feed Production and Processing**

#### ***Grain Procurement***

According to the Administrative Regulation of Grain Circulation (《糧食流通管理條例》) which was issued by the State Council on May 26, 2004 and last amended on February 15, 2021 and came into effect on April 15, 2021, enterprises engaged in grain procurement shall file its name, address, responsible person, storage facilities and other information with the grain and reserve administrative department of the people’s government at the county level in the place of procurement for record, and shall promptly update the filing if the filing information changes. All operators engaged in grain procurement, sales, storage and processing, as well as feed and industrial grain enterprises, shall establish grain operation ledgers and report basic data and relevant information on grain procurement, sales, and storage to the local grain and reserve administrative department of the people’s government at the county level. The retention period of the grain operation ledgers shall be not less than three years.

#### ***Feed Production***

According to the Regulations on Administration of Feed and Feed Additives (《飼料和飼料添加劑管理條例》), which was promulgated by the State Council on May 29, 1999, last amended on March 1, 2017 and implemented on the same date, and the Administrative Measures for Production Licensing of Feed and Feed Additives (《飼料和飼料添加劑生產許可管理辦法》), which were issued by the Ministry of Agriculture and Rural Affairs of the PRC (中華人民共和國農業農村部, the “MARA”, currently known as the Ministry of Agriculture of the PRC (中華人民共和國農業部)) on May 2, 2012, last amended on January 7, 2022 and implemented on the same date, feed production enterprises must comply with feed industry development plans and industrial policies and meet the following conditions:

- (1) Having plant buildings, equipment and warehousing facilities accommodating the feed and feed additive production;
- (2) Having full-time technical staff to accommodate the feed and feed additive production;
- (3) Having necessary product quality testing bodies, staff and facilities and quality control systems;
- (4) Having a production environment that meets the national safety and health requirements;
- (5) Having in place pollution prevention and control measures that meet the national environmental protection requirements; and
- (6) Other conditions specified in the administration standards for feed and feed additives quality safety formulated by the competent administrative department of agriculture under the State Council.

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Enterprises are required to obtain a production license before operating a feed production business. In addition, enterprises are required to maintain the requisite conditions to produce feeds and follow relevant rules relating to feed production. Violation of these rules or failing to obtain production license could lead to a range of penalties, including confiscation of the products, instruments and illegal gains, imposition of fines or even revocation of the production licenses.

According to the Measures for the Administration of Product Approval Numbers for Feed Additives (《飼料添加劑產品批准文號管理辦法》) promulgated by the MARA on January 7, 2022 and came into effect on the same day, except for customized products produced by a feed additive manufacturer for another feed or feed additive manufacturer, which are exempt from obtaining a product approval number, any feed additive product manufactured within the territory of the PRC shall obtain the corresponding product approval number before production. If the main ingredient specifications of a product change, or if the product name changes, a new product approval number shall be obtained. The aforementioned customized products are limited to use by the ordering manufacturer itself; neither the producing manufacturer nor the ordering manufacturer may supply such customized products to other feed or feed additive manufacturers, operators, or breeders.

### *New Feeds and New Feed Additives*

According to the Measures for the Administration of New Feeds and New Feed Additives (《新飼料和新飼料添加劑管理辦法》) which was promulgated by the Ministry of Agriculture of the PRC on August 17, 2000 and last amended by the MARA on January 7, 2022, the term “new feeds” refers to single feeds that have been researched and developed within the territory of PRC and have not yet been approved for use and the term “new feed additives” refers to the feed additives that have been researched and developed within the territory of PRC and have not yet been approved for use.

Before the production of a new feed or new feed additive, a producing enterprise shall acquire the production license in accordance with the relevant provisions of the MARA. Where a new feed additive is to be produced, the corresponding product approval document number shall also be acquired. New feeds and new feed additives shall be subject to monitoring for a period of five years, which is calculated from the date when a certificate for a new feed or new feed additive is issued. Within the monitoring period, any other application for the production or import registration of the said new feed or new feed additive shall not be accepted, except where the new feed or new feed additive has not been put into production for three years or more.

In any of the following circumstances, an application shall be submitted to the MARA for evaluation in accordance with the procedures for the evaluation of new feeds and new feed additives as stipulated in the Administration of New Feeds and New Feed Additives. Upon approval through evaluation, the MARA shall announce, by way of public notice, that such products may be produced and used as feeds or feed additives; however, no new feed or new feed additive certificate shall be issued.

- (1) the application scope of feed additives is enlarged;
- (2) the content standard of feed additives is lower than that required for the safe use of feed additives, except where the feed additives are prepared with carriers or diluter based on a certain proportion;
- (3) there are material changes in the production technology of feed additives;
- (4) a new feed or new feed additive is not put into production three years after the certificate for such new feed or new feed additive is acquired, and any other enterprise applies for the production of such new feed or new feed additive; or

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- (5) any other circumstance as prescribed by the MARA.

### Regulations on Company, Foreign Investment and Overseas Investment

#### *Company Law*

The establishment, operation and management of companies within the territory of the PRC are governed by the Company Law. The Company Law was promulgated by the SCNPC on December 29, 1993, latest amended on December 29, 2023 and became effective on July 1, 2024. The Company Law governs the establishment, operation, corporate structure, and management of legal person entities within the PRC. According to the Company Law, companies established in the PRC can take the form of limited liability companies and joint-stock companies. Each company has the status of a legal person and owns its own assets. The Company Law also applies to foreign-invested enterprises.

Furthermore, the major revisions made by the latest revised Company Law included improvement of the system for the establishment and exit of companies, optimization of organizational structures of companies, improvement of the capital system of companies, strengthening the responsibilities of the controlling shareholder and management staff, enhancing the social responsibilities of companies, etc.

#### *Foreign Investment*

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (2025) 《鼓勵外商投資產業目錄》(2025年版)), which is promulgated by the Ministry of Commerce of the PRC (the “**MOFCOM**”) and the National Development and Reform Commission (the “**NDRC**”) on December 15, 2025 and became effective on February 1, 2026, and the Special Administrative Measures (Negative List) for Foreign Investment Access (2024) 《外商投資准入特別管理措施(負面清單)(2024年版)》(the “**Negative List**”), which are promulgated and amended from time to time by the MOFCOM and the NDRC, and together with the Foreign Investment Law of PRC 《中華人民共和國外商投資法》(the “**FIL**”) and its respective implementation rules and ancillary regulations.

The Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions 《中外合資、合作醫療機構管理暫行辦法》, which was jointly promulgated by the Ministry of Health and the Ministry of Foreign Trade and Economic Cooperation on May 15, 2000 and came into effect on July 1, 2000, and its Supplementary Provisions allow foreign investors to partner with Chinese medical entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture. Establishment of equity joint venture or cooperative joint venture shall meet certain requirements, including the equity percentage of the Chinese partner in the joint venture shall not be less than 30%.

### Regulations on Intellectual Property

#### *Trademarks*

Pursuant to the Trademark Law of the PRC 《中華人民共和國商標法》 which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC 《中華人民共和國商標法實施條例》 which was promulgated by the State Council on August 3, 2002, latest amended on April 29, 2014, and came into effect on May 1, 2014, the Trademark Office under the State Administration for Industry and Commerce of the PRC (the “**Trademark Office**”) shall handle trademark registrations and grant a term of ten years to registered trademarks, which may be renewed for consecutive ten-year period upon request from the trademark owner.

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### *Patents*

According to the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020, which became effective on June 1, 2021 and the Implementing Rules of the Patent Law of the PRC (《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 amended on December 11, 2023 and effective from January 20, 2024, there are three types of patents in the PRC, i.e., invention patents, utility model patents and design patents. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and 10 years, respectively, which are all calculated from the date of application.

Specifically, for the purpose of compensating for the time taken to evaluate and approve a new drug to be put on market, the patent administrative department under the State Council shall grant compensation for duration of patent rights for invention of a new drug approved to be put on market in the PRC upon request of the patentee. The compensation period shall not exceed five years, and the total validity period of patent rights for a new drug after being approved for marketing shall not exceed 14 years.

### *Copyrights*

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020 which became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002 and latest amended on January 30, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

### *Domain Names*

According to the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology (the “MIIT”) on August 24, 2017 and became effective on November 1, 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. Domain name registration services shall, in principle, be subject to the principle of “first apply, first register”.

### **Regulations Related to Product Liability**

According to the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated by the National People’s Congress on May 28, 2020 and became effective on January 1, 2021, a defective product which causes property damage or physical injury to any person may subject the manufacturer or vendor of such product to civil liability for such damage or injury. If a patient suffers damage due to defects in drugs, he may seek compensation from the drug marketing authorization holder or also from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder.

On February 22, 1993, the Product Quality Law of the PRC (《中華人民共和國產品質量法》), or the Product Quality Law, was promulgated by SCNPC and took effect on September 1, 1993, aiming to protect the legitimate rights and interests of the end-users and consumers and to strengthen the supervision and control of the quality of products. The Product Quality Law was latest revised on

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December 29, 2018 and effective therefrom. According to the revised Product Quality Law, manufacturers who produce defective products may be subject to civil or criminal liability and have their business licenses revoked.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), or the Consumer Protection Law, was promulgated on October 31, 1993 and took effect on January 1, 1994, and last amended on October 25, 2013 and took effect on March 15, 2014, to protect consumer rights when they purchase or use goods and services. According to the Consumer Protection Law, all business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. In addition, in extreme situations, drug manufacturers and operators may be subject to criminal liability if their goods or services lead to the death or injuries of customers or other third parties.

### **Regulations on Anti-unfair Competition**

The PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), which was promulgated by SCNPC on September 2, 1993 and last amended on June 27, 2025 and took effect on October 15, 2025, stipulated that, operators shall abide by the principle of voluntariness, equality, impartiality, integrity, and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

### **Regulations on Cybersecurity, Data Security, and Privacy Protection**

#### ***Cybersecurity and Data Security***

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), effective June 1, 2017 and amended on October 28, 2025 (effective January 1, 2026), prohibits stealing or illegally trading personal information. Those who construct or operate networks or provide services through networks shall take technical and other necessary measures to ensure cybersecurity and stable operation, effectively respond to cybersecurity incidents, prevent cyber-related illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. In the event of a violation of the relevant provisions and requirements under the Cybersecurity Law, individuals or organizations may face penalties including warnings, fines, confiscation of illegal gains, revocation of licenses, or closure of websites, and may be subject to criminal liability in serious circumstances.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the NPCSC on June 10, 2021, and came into effect on September 1, 2021, entities carrying out data processing activities shall comply with laws and administrative regulations, respect social morality and ethics, adhere to business and professional ethics, act in good faith, fulfil data security protection obligations, assume social responsibility, and shall not endanger national security or public interests, nor harm the lawful rights and interests of individuals or organizations. Any organization or individual collecting data shall employ lawful and proper means and shall not acquire data through theft or other illegal methods.

The Regulations on Network Data Security Management (《網絡數據安全管理條例》), issued by the State Council on September 24, 2024 and effective January 1, 2025, require that network data processors shall, in accordance with laws, regulations and mandatory national standards, and on the basis of classified cybersecurity protection, strengthen the protection of network data security, establish and optimize a network data security management system, and take technical measures to protect network data and prevent criminal activities targeting network data. The Regulations also provide provisions for data handling activities carried out through networks, including but not limited to the

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formulation of rules for handling personal information, general requirements for handling personal information, and the handling of individual requests regarding personal information. Network data processors shall clearly designate the person in charge of network data security and the institutions responsible for network data security management. Such institutions must fulfill the duties of protecting network data security.

### *Cybersecurity Review and Outbound Data Transfer Security Assessment*

The Cybersecurity Review Measures (《網絡安全審查辦法》) were promulgated on December 28, 2021, and took effect on February 15, 2022. These Measures stipulate that critical information infrastructure operators (the “CIIOs”) procuring network products and services, as well as online platform operators carrying out data processing activities that do or may affect national security, shall undergo cybersecurity review. The Cybersecurity Review Measures further stipulate a cybersecurity review shall be conducted in the following circumstances: (i) internet platform operators who possess more than one million users’ personal information and seek to list abroad are obliged to apply for a cybersecurity review; (ii) CIIOs purchasing network products or services where national security has been or may be affected shall apply for a cybersecurity review; and (iii) the competent PRC government authority may initiate cybersecurity review in case that any member of the cybersecurity review committee believes that any network product or service or data processing activity affects or is likely to affect national security and the Central Cyberspace Affairs Commission approves to do so.

On July 7, 2022, the CAC promulgated the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022. Pursuant to the measures, data processors providing outbound data shall apply for outbound data transfer security assessment with the CAC in any of the following circumstances: (i) where a data processor provides important data abroad; (ii) a data processor processing the personal information of more than one million individuals or a CIIO provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

The Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), effective March 22, 2024, stipulate that non-CIIO data processors transferring non-sensitive personal information of 100,000 to 1 million individuals, or sensitive personal information of fewer than 10,000 individuals cumulatively since January 1 of the current year, must conclude a standard contract or obtain personal information protection certification. However, exemptions from security assessments, standard contracts, and certifications are granted for transfers necessary for: (i) concluding or performing contracts (e.g., cross-border e-commerce or payments); (ii) cross-border HR management; (iii) protecting life, health, and property in emergencies; or (iv) non-CIIOs transferring non-sensitive personal information of fewer than 100,000 individuals annually.

Article 7 of the Cybersecurity Review Measures stipulates that internet platform operators who possess more than one million users’ personal information and seek to list abroad are obliged to apply for a cybersecurity review. Pursuant to Article 1 of the Basic Law of the Hong Kong Special Administrative Region (《香港特別行政區基本法》), which states that, the Hong Kong Special Administrative Region is an inalienable part of the People’s Republic of China, and based on the consultation conducted by our PRC Legal Advisor with the CCRC (China Cybersecurity Review and Certification Center), their response confirms that the Hong Kong listing does not fall under the circumstances specified in Article 7 of the Cybersecurity Review Measures. Based on this, our current issuance and [REDACTED] do not require proactive declaration for cybersecurity review under Article 7 of the Cybersecurity Review Measures. Furthermore, as of the date of this document, we have not

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received any notification or request from any administrative agency determining that we have engaged in processing activities that affect or may affect national security, nor have we received any notice from administrative agencies regarding cybersecurity review of our Company. Therefore, we believe that this issuance and [REDACTED] do not require to conduct a cybersecurity review under the Cybersecurity Review Measures.

### **Regulations Related to Personal Information Protection**

On May 28, 2020, the NPC adopted the Civil Code of the PRC (《中華人民共和國民法典》), which came into effect on January 1, 2021. Pursuant to the Civil Code of the PRC, the personal information of a natural person shall be protected by the law. Any organisation or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, store, use, process or transmit personal information of others, or illegally buy or sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. Pursuant to the Personal Information Protection Law, “personal information” refers to any kind of information related to an identified or identifiable individual as electronically or otherwise recorded but excluding the anonymised information. A personal information processor may process the personal information of this individual only under the following circumstances: (i) where consent is obtained from the individual; (ii) where it is necessary for the execution or performance of a contract to which the individual is a party, or where it is necessary for carrying out human resource management pursuant to employment rules legally adopted or a collective contract legally concluded; (iii) where it is necessary for performing a statutory responsibility or statutory obligation; (iv) where it is necessary in response to a public health emergency, or for protecting the life, health or property safety of a natural person in the case of an emergency; (v) where the personal information is processed within a reasonable scope to carry out any news reporting, supervision by public opinions or any other activity for public interest purposes; (vi) where the personal information, which has already been disclosed by an individual or otherwise legally disclosed, is processed within a reasonable scope; or (vii) any other circumstance as provided by laws or administrative regulations. In principle, the consent of an individual must be obtained for the processing of his or her personal information, except under the circumstances of the aforementioned items (ii) to (vii). Where personal information is to be processed based on the consent of an individual, such consent shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis. If laws or administrative regulations provide that the processing of personal information shall be subject to the separate consent or written consent of the individual concerned, such provisions shall prevail.

In addition, On December 29, 2011, the MIIT issued the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which took effect on March 15, 2012 and stipulates that internet information service providers may not collect any user personal information or provide any such information to third parties without the consent of the user, unless otherwise stipulated by laws and administrative regulations. An internet information service provider is also required to properly store users’ personal information, and in case of any leak or any possibility of leak of the users’ personal information, the internet information service provider must take immediate remedial measures and, when serious consequences have been caused or may be caused, make an immediate report to the telecommunications regulatory authority and cooperate with the relevant authorities in investigation. Pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》), issued by the SCNPC in 2012, and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), issued by the MIIT in 2013, any collection and use of a user’s personal information must abide by the principles of legality, legitimacy and necessity, explicitly state the purpose, manners and

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scopes of the information collection and uses, obtain the consent of the user and shall not violate the provisions of laws, regulations and the agreement with the users. Any violation of these laws and regulations may subject the internet service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

### **Regulations on Fire Protection and Environmental Protection**

#### ***Fire Control***

Pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local people’s governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people’s governments shall be responsible for implementation. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and latest amended on August 21, 2023 and came into effect on October 30, 2023, an examination system for fire control design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

#### ***Environmental Protection***

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) was promulgated by the SCNPC and effective on December 26, 1989, and most recently amended on April 24, 2014 and took effect on January 1, 2015. The Environmental Protection Law of the PRC has been formulated for the purpose of protecting and improving the environment, preventing and controlling pollution and other public hazards, safeguarding people’s health, advancing the construction of an ecological civilization and promoting sustainable economic and social development.

On October 28, 2002, the SCNPC promulgated the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was latest amended on December 29, 2018 and effective therefrom. The State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment. The Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, according to which, depending on the impact of the construction project on the environment, the construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) issued by the Ministry of Environmental Protection on November 20, 2017 and effective on the same day, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

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### *Pollutant Discharges Permitting Administration*

Pursuant to the provisions of the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective on March 1, 2021, and the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and became effective on July 1, 2024, the PRC implements the classified pollutant discharge permit management (i.e., key management, simplified management and registration management) on pollutant discharges of enterprises based on factors such as the volume of pollutants generated, the amount of pollutant discharged and the degree of impact on the environment. Enterprises and other producers that are included in the Classification Administration List of Pollutant Discharge Permits for Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit or fill in a pollutant discharge registration form within the prescribed time limit, and shall not discharge pollutants without a pollutant discharge permit or filling in a pollutant discharge registration form.

### *Disposal of Hazardous Waste*

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995 and was latest amended on April 29, 2020 and became effective on September 1, 2020, entities generating hazardous waste shall store, utilize and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorization.

## Regulations on Employment and Social Welfare

### *Employment*

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), (the “**Labor Law**”), which was promulgated by the SCNPC on July 5, 1994, last amended and came into effect on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), (the “**Labor Contract Law**”), which was promulgated by the SCNPC on June 29, 2007 and became effective on January 1, 2008, and then amended on December 28, 2012 and became effective on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), (the “**Implementation Rules of the Labor Contract Law**”), promulgated by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

### *Social Insurance*

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and latest amended on December 29, 2018 and effective therefrom, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity

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insurance, work-related injury insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to rectify within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》), which was promulgated by the State Council on January 22, 1999 and came into effect on the same day, and latest amended and became effective on March 24, 2019, prescribes the details concerning the social insurance.

### *Housing Provident Fund*

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and came into effect on the same day, and latest amended and effective on March 24, 2019, any newly established entity shall make deposit registration at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Any entity that fails to make payment of housing provident funds within the time limit or has a shortfall in payment of housing provident funds will be ordered to make the payment or make up the shortfall within a prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management center shall order employers to complete the relevant procedures within a prescribed time limit, where employers fail to complete the relevant procedure within the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

### **Regulations on Foreign Exchange**

#### *Regulations relating to Foreign Currency Exchange*

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, most recently amended on August 5, 2008 and took effect on the same day. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

According to the Notice on Matters Concerning the Administration of Funds Raised by Domestic Enterprises from Overseas Listings (《關於境內企業境外上市資金管理有關問題的通知》) promulgated by the PBOC and the SAFE on December 26, 2025, and will be effective on April 1, 2026, funds raised by domestic enterprises from overseas listings shall, in principle, be repatriated to the PRC in a timely manner. Where such funds are retained outside the PRC for the purpose of conducting overseas direct investment, overseas securities investment, overseas lending, or other similar business activities, the enterprise shall obtain approval or filing documentation from the competent business authority prior to the completion of the overseas listing issuance or the full exercise of the over-allotment option, and shall comply with the relevant cross-border fund administration regulations.

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### Regulations on Import and Export

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated on May 12, 1994 and latest amended on December 27, 2025 and effective on March 1, 2026 by the SCNPC, foreign trade operators engaged in the import and export of goods or technology do not need to register with the foreign trade authority under the State Council or its authorized agencies, which shall grant a license to the consignee or consignor who applies for automatic licensing prior to completing customs clearance formalities for imports and exports subject to automatic licensing; for technologies that are free for import and export, the contract must be registered with the foreign trade department of the State Council or its authorized agency.

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated on January 22, 1987 and last amended by the SCNPC and came into effect on April 29, 2021, the Customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory, who exercise its jurisdiction in all its aspects, including supervising the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collecting customs duties and other taxes and fees, preventing and combating smuggling, compiling customs statistics and handling other customs operations.

In addition, according to the Regulations of the PRC Customs on Administration of Recordation of 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 on November 19, 2021 and effective from January 1, 2022, “customs declaration entities” refer to the consignees and consignors of import and export goods and customs declaration enterprises which make a filing with the customs. If the enterprises apply for filing, they shall obtain the qualification of market entities. The recordation of the customs declaration entities is valid for a long period of time. The filing of the customs declaration enterprise is valid for long term.

### Regulations on Taxation

#### *Enterprise Income Tax*

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by the NPC on March 16, 2007, and latest amended by the SCNPC and came into effect on December 29, 2018 and the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007 and latest amended on December 6, 2024 and came into effect on January 20, 2025, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to a EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

#### *Value-added Tax*

On December 25, 2024, the SCNPC issued the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), or the VAT Law, which became effective from January 1, 2026. According to the VAT Law, any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the VAT Law. Except for taxpayers’ export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the

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State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

### *Taxation Relating to Dividends*

Pursuant to the EIT Law and the Implementation Regulations for the EIT Law, a non-resident enterprise is subject to enterprise income tax for its PRC-sourced income (including equity investment gains such as dividends and bonuses paid by PRC enterprises), but shall be at a reduced tax rate of 10%, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such establishment or premises in the PRC. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding tax shall be withheld by the withholding agent from the amount paid or amount due and payable upon each payment or payment due and payable.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**IIT Law**”) promulgated by the SCNPC on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) (the “**Implementation Regulations for the IIT Law**”) issued by the State Council on January 28, 1994 and last amended by on December 18, 2018 and implemented on January 1, 2019, dividend income derived by individual investors from PRC domestic enterprises (no matter the place of payment is in the PRC or not) shall be subject to individual income tax at a tax rate of 20% and shall be withheld by the PRC domestic enterprises, except for tax-exempt income stipulated in international conventions and agreements to which the PRC Government is a party, as well as other tax-exempt income and tax reduction circumstances stipulated by the State Council.

### *Taxation relating to Share Transfer*

Pursuant to the EIT Law and the Implementation Regulations for the EIT Law, a non-resident enterprise is subject to enterprise income tax for its PRC-sourced income (including capital gains from transfers of equity investments in PRC enterprises), but shall be at a reduced tax rate of 10%, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such establishment or premises in the PRC. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding tax shall be withheld by the withholding agent from the amount paid or amount due and payable upon each payment or payment due and payable.

Pursuant to the IIT Law and the Implementation Regulations for the IIT Law, gains on transfer of properties (including gains derived by individuals from the transfer of priced securities, equity, shares of property in a partnership enterprise) in subject to individual income tax at the rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to Be Exempted over Individual Gains from Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免征收個人所得稅的通知 (財稅字[1998]61號)》) issued jointly by the Ministry of Finance and the SAT on March 30, 1998 and implemented therefrom, from January 1, 1997, gains of individuals from the transfer of shares

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of listed companies continue to be exempted from individual income tax. However, the aforesaid provisions have not expressly stipulated whether to levy individual income tax on the transfer of shares of PRC resident enterprises listed on overseas securities exchanges by individuals.

### *Tax Policies for Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect*

On October 31, 2014 and November 5, 2016, the Ministry of Finance, the SAT, and the CSRC jointly promulgated the Circular on Tax Policies concerning the Pilot Program of the Shanghai-Hong Kong Stock Market Trading Interconnection Mechanism (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Circular on Tax Policies concerning the Pilot Program of the Shenzhen-Hong Kong Stock Market Trading Interconnection Mechanism (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), pursuant to which, the capital gains from the transfer of shares and income from dividends and bonuses obtained by PRC corporate investors from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT in accordance with the law. Among which, income from dividends and bonuses received by PRC resident enterprises from continuously holding H Shares for at least 12 months is exempt from EIT by law. H Share companies are not required to withhold and pay taxes on the income from dividends and bonuses for PRC corporate investors. The taxable amount shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by PRC individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the H Share company shall apply to the CSDC, and the CSDC shall provide a list of PRC individual investors to the H Share company, which shall then withhold and pay individual income tax at a rate of 20%. Individual investors who have already paid withholding tax outside the PRC may apply to the competent tax authority of CSDC for a tax credit upon presentation of a valid tax reduction certificate. For income from dividends and bonuses obtained by PRC securities investment funds from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied in accordance with the above provisions.

On December 4, 2019, the Ministry of Finance of the PRC (the “MOF”), the SAT and the CSRC jointly issued the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Interconnection Mechanisms for Transactions in Shanghai and Hong Kong Stock Markets and for Transactions in Shenzhen and Hong Kong Stock Markets (MOF Announcement 2019 No. 93) (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》(財政部公告2019年第93號)). It stipulates that for PRC individual investors, the capital gain derived from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and the trading of Hong Kong fund units through mutual recognition of funds will continue to be exempt from individual income tax on a temporary basis from December 5, 2019 to December 31, 2022.

In addition, pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》(財政部公告2023年第23號)) (Announcement of the MOF No. 23 of 2023) jointly issued by the MOF, the SAT and the CSRC on August 21, 2023, the period for the implementation of the individual income tax exemption policy has been further extended to December 31, 2027.

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### Regulations on Overseas Listing

#### *CSRC Filing*

Pursuant to the Measures for the Administration on 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》) together with 5 supporting guidelines (together with the Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, collectively referred to as the “**Overseas Listing Regulations**”), promulgated by the CSRC on February 17, 2023, which became effective on March 31, 2023, where a PRC domestic company seeks to directly or indirectly offer and list securities in overseas markets, the issuer or the designated entity shall file the required documents with the CSRC within three business days after its application for initial public offering is submitted.

The Overseas Listing Regulations also stipulate the circumstances where the overseas offering and listing is explicitly prohibited, including: (i) financing through listing is expressly prohibited by laws, administrative regulations or relevant rules of the state; (ii) the overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last three years; (iv) domestic enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made; (v) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder or the actual controller.

#### *CSRC Requirements on Confidentiality and Archives Administration*

On February 24, 2023, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of China jointly released the revised 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》), the “**Archives Administration Provisions**”), which came into effect on 31 March 2023. The Archives Administration Provisions shall apply to both (i) the PRC companies seeking direct listing on the overseas stock exchange and (ii) the PRC operating entities of a foreign company seeking listing on the overseas stock exchange that qualifies as an “indirect listing” (above (i) and (ii) collectively, “**Domestic Companies**”).

According to the Archives Administration Provisions, the Domestic Companies shall establish and implement a solid confidentiality and archives administration system. If a Domestic Company decides to disclose any documents or materials containing state secrets, work secrets of governmental agencies or any information that may be detrimental to national security or public interest once leaked, proper governmental approval procedures should be followed. After obtaining the governmental clearance, the Domestic Company disclosing such information, as one party, and the securities companies and securities services providers receiving such information, as the other party, shall also enter into non-disclosure agreements, setting forth the confidentiality obligations of the securities companies and securities services providers. When providing above information to the securities companies and securities services providers retained by it, the Domestic Companies are also required to issue a written statement outlining its compliance with the relevant regulatory requirements and procedures.

In terms of providing accounting archives or copies thereof to any other entities or persons (such as securities companies, securities services providers and overseas regulators), the Archives Administration Provisions stipulate that relevant governmental procedures should be followed.

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## REGULATORY OVERVIEW

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Any violation of the above regulations may subject the Domestic Companies to regulatory penalties under the PRC Law of Safeguarding State Secrets (《中華人民共和國保守國家秘密法》) and the PRC Law of Archives (《中華人民共和國檔案法》) and even criminal liabilities to the extent applicable.

### *H Share Full Circulation*

“Full circulation” refers to the listing and circulation of the domestic unlisted shares of an H-share listed company on Hong Kong Stock Exchange, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines on the Application of “Full Circulation” of Domestic Unlisted Shares by H-share Companies (Announcement of the CSRC [2019] No. 22) (《H股公司境內未上市股份申請“全流通”業務指引》) (the “**Guidelines on ‘Full Circulation’**”) and last amended on August 10, 2023. According to the Guidelines on “Full Circulation”, provided that the requirements set out in the relevant laws and regulations and in the policies for state-owned assets management, foreign investments and industry regulation are satisfied, the shareholders of domestic unlisted shares may decide at their own discretion through negotiation the amount and proportion of shares applying for circulation, and entrust the H-share Listed Company to submit the application for “full circulation.”

On December 31, 2019, the CSDC and Shenzhen Stock Exchange jointly issued the Implementation Measures for H-share “Full Circulation” Business (《H股“全流通”業務實施細則》), which applied to the cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominee holders and other businesses in relation to H-share “full circulation” business.

In order to fully promote the reform of H-share “full circulation” and specify the business arrangements and procedures for registration, custody, settlement and delivery of relevant shares, the CSDC Shenzhen Branch issued the Guidance for H-share “Full Circulation” (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) on June 27, 2025, which specified the business preparation, account arrangements, cross-border share transfer registration and overseas centralized custody, etc.

## U.S. LAWS AND REGULATIONS

### **Laws and Regulations in Relation to Importation of Goods into the United States**

The importation of goods into the United States is mainly governed by the Tariff Act of 1930, the Customs Modernization Act and regulations issued by U.S. Customs and Border Protection (the “**CBP**”). Under these rules, U.S. importers are primarily responsible for correctly declaring the value, classification and duty rate of imported goods. Importers must exercise “reasonable care” when submitting information and documents to CBP, to ensure proper duty assessment, accurate import data and legal compliance.

An importer or its agent that provides false or misleading information to CBP in connection with the importation of goods may be subject to civil penalties, the severity of which depends on the level of culpability (ranging from negligence to gross negligence to fraud).

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## REGULATORY OVERVIEW

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### **Laws and Regulations in Relation to Food Safety and FDA Regulatory Compliance**

The importation and wholesale distribution of food ingredients in the United States are subject to comprehensive federal regulatory oversight primarily administered by the FDA under the Federal Food, Drug, and Cosmetic Act (the “**FDCA**”) and its implementing regulations. The principal requirements applicable to U.S. importers and distributors of food ingredients are as follows.

#### ***Federal Food, Drug and Cosmetic Act***

The FDCA is the primary federal statute governing the safety, labeling and distribution of food in the United States. Under the FDCA, it is unlawful to introduce into interstate commerce any food that is adulterated or misbranded. The FDA has the authority to detain or refuse admission into the United States of any imported food article that appears to be adulterated, misbranded or in violation of applicable law. The FDA may issue an import alert with respect to a foreign food facility or specific products, which can result in automatic detention or refusal of imports from the listed facility or importer without physical examination. The FDCA also establishes the FDA’s authority to conduct inspections of food facilities and to issue warning letters, initiate product seizures and seek injunctive relief for violations. Food ingredients introduced into interstate commerce must also comply with applicable FDA requirements governing food additives and substances that are generally recognized as safe under the FDCA and its implementing regulations.

#### ***Food Safety Modernization Act***

The Food Safety Modernization Act of 2011 (Pub. L. No. 111–353) (the “**FSMA**”) fundamentally reformed the U.S. food safety regulatory framework by shifting emphasis from responding to contamination events to preventing them. The FSMA granted the FDA broad new powers to regulate food safety throughout the supply chain and introduced specific requirements applicable to U.S. importers of food, including the Foreign Supplier Verification Program (described below), preventive controls requirements for registered food facilities and mandatory FDA inspection of high-risk facilities. The FSMA also empowered the FDA to issue mandatory recalls of food products, impose administrative detention of food that poses a risk to public health and suspend food facility registrations of facilities that present a reasonable probability of serious adverse health consequences.

#### ***Foreign Supplier Verification Program***

U.S. importers of food are required to establish and maintain a Foreign Supplier Verification Program (FSVP) to ensure that imported food meets applicable U.S. safety standards. Such requirements generally include evaluation and verification of foreign suppliers, implementation of risk-based supplier verification activities and maintenance of appropriate records.

#### ***Food Facility Registration***

Any domestic or foreign food facility that manufactures, processes, packs, or holds food for human consumption in the United States is required to register with the FDA. Foreign food facilities exporting food to the United States must be registered with the FDA and such registration must be renewed biennially, during the period from October 1 to December 31 of each even-numbered year. A food facility that fails to register or maintain its registration, or whose registration is suspended by the FDA, is prohibited from importing or offering for import food into the United States. U.S. importers themselves are not required to register as food facilities unless they also manufacture, process, pack, or hold food within the United States.

## **REGULATORY OVERVIEW**

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### ***Prior Notice of Imported Food***

Prior notice must be submitted to the FDA before food is imported or offered for import into the United States. Failure to comply may result in refusal of admission or other enforcement actions.