

## REGULATORY OVERVIEW

### LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

#### Company Law of the PRC

The Company Law of the PRC (中華人民共和國公司法), promulgated by the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會) (the “SCNPC”) on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

#### Foreign Investment Law of the PRC and Regulations on the Implementation of the Foreign Investment Law of the PRC

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (鼓勵外商投資產業目錄(2025年版)) (the “Catalogue”), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (外商投資准入特別管理措施(負面清單)(2024年版)) (the “Negative List”), promulgated on September 6, 2024 and effective since November 1, 2024, both of which were issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會, the “NDRC”) and the Ministry of Commerce of the PRC (中華人民共和國商務部, the “MOFCOM”). The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted”, and “prohibited”. Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the “FIL”), promulgated by the National People’s Congress (全國人民代表大會) (the “NPC”) on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例) (the “Implementation Regulations for FIL”), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the Ministry of Commerce and 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”), jointly promulgated the Measures for Information Reporting on Foreign Investment (外商投資信息報告辦法), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (外商投資安全審查辦法), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

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## REGULATORY OVERVIEW

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### REGULATIONS RELATING TO PRODUCT QUALITY

The PRC Product Quality Law (中華人民共和國產品質量法) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the PRC Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

Pursuant to the PRC Civil Code (中華人民共和國民法典) promulgated by the NPC on May 28, 2020 and becoming effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

### REGULATIONS ON TELECOMMUNICATIONS EQUIPMENT NETWORK ACCESS

According to the Telecommunications Regulations of the PRC (中華人民共和國電信條例) (the “**Telecommunications Regulations**”) issued by the State Council on September 25, 2000, revised on February 6, 2016, and effective on the same day. The State shall implement a network connection licensing system for telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment. Telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment accessing a public telecommunications network shall comply with the standards stipulated by the State, and obtain a network connection permit. Telecommunications equipment manufacturing enterprises shall guarantee the quality and reliability of telecommunications equipment which has obtained a network connection permit, and shall not lower product quality or performance. Selling telecommunications terminal equipment which does not carry a network connection permit shall be ordered by the telecommunications administration authorities of the province, autonomous region or centrally-administered municipality to make corrections and be imposed a fine ranging from RMB10,000 to RMB100,000. Any offender who violates the provisions of these Regulations in the lowering of product quality or performance after obtaining the telecommunications equipment network connection permit, shall be punished by the product quality supervision authorities pursuant to the provisions of the relevant laws and administrative regulations.

According to the Measures for the Administration of Telecommunications Equipment Network Access (電信設備進網管理辦法), which was issued by the former Ministry of Information Industry on May 10, 2001, revised by the Ministry of Industry and Information Technology (the “**MIIT**”) on January 18, 2024, and came into effect on the same day, telecommunications equipment manufacturers (hereinafter referred to as manufacturers) must comply with national laws, regulations, and policy requirements when applying for telecommunications equipment network access licenses. The telecommunications equipment applying for network access licenses must meet national standards, communication industry standards, and the requirements of the MIIT. Telecommunications equipment manufacturers shall have a sound quality assurance system and after-sales service measures. Manufacturers that have obtained network access licenses shall accept the supervision and management of the communications administrations of the provinces, autonomous regions, or municipalities directly under the Central Government where they are

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## REGULATORY OVERVIEW

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located. For those who forge, fraudulently use, transfer network access licenses, or fabricate network access license numbers, the MIIT or the communications administrations of the provinces, autonomous regions, or municipalities directly under the Central Government shall confiscate their illegal earnings and impose a fine of not less than three times but not more than five times the illegal earnings. If there are no illegal earnings or the illegal earnings are less than RMB10,000, a fine of not less than RMB10,000 but not more than RMB100,000 shall be imposed.

### REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

#### Regulations Relating to Value-Added Telecommunications Services

Telecommunications Regulations provide the regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize telecommunications services in the PRC into basic telecommunications services and value-added telecommunications services, and value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures. Under the Telecommunications Regulations, telecommunications services providers shall obtain operating licenses from the MIIT or its provincial counterparts prior to the commencement of operations.

The Administrative Measures for Telecommunications Business Operating License (電信業務經營許可管理辦法) with latest amendments becoming effective from September 1, 2017 set forth more specific provisions regarding the types of licenses required for value-added telecommunications services and the qualifications and procedures for obtaining such licenses. The value-added telecommunications services operators providing value-added services across multiple provinces are required to obtain inter-regional licenses from the MIIT, whereas value-added telecommunications services operators providing such services within a single province are required to obtain local licenses from the provincial level counterparts.

The MIIT issued a catalog as an appendix to the Telecommunications Regulations or the Classification Catalog of Telecommunications Services (電信業務分類目錄), which was last revised in June 2019. According to the Classification Catalog of Telecommunications Services, Internet Data Center Service (the “IDC Service”) is classified as Category 1 of the value-added telecommunication service.

#### Regulations Relating to Foreign Investment in Value-Added Telecommunications Services

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (外商投資電信企業管理規定) (the “FITE Regulations”), which was promulgated by the State Council on December 11, 2001 and last amended on March 29, 2022. The FITE Regulations require foreign-invested telecommunications enterprises in the PRC to be established as sino-foreign joint ventures. Unless otherwise stipulated by the State, the equity interest acquired by the foreign investors in such enterprises shall not exceed 50%. In addition, the foreign investors of the enterprises engaged in value-added telecommunications services must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating such business. The enterprises that meet these requirements shall obtain approvals from the MIIT and the MOFCOM or their authorized local branches, before launching the value-added telecommunications business in the PRC. Moreover, pursuant to the Negative List, foreign equity in enterprises providing value-added telecommunications business shall not exceed 50%, but such stipulation is not applied to e-commerce, domestic multi-party communications, store-and-forward and call centers services.

However, the State Council promulgated the Decision of the State Council on Revising and Repealing Certain Administrative Regulations (國務院關於修改和廢止部分行政法規的決定) on March 29, 2022, according to which the FITE Regulations was amended and such amendment has come into effect on May 1, 2022 (the “New FITE Regulations”). The New FITE Regulations, except as otherwise provided, no longer require stringent performance and operational experience of the foreign investors in the enterprises providing value-added telecommunications services. The foreign-invested

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## REGULATORY OVERVIEW

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telecommunications enterprises shall obtain approvals from the MIIT or its authorized local branches prior to the commencement of the value-added telecommunications business in the PRC. In addition, the New FITE Regulations simplify the application process for telecommunication business operation licenses and shorten the review period.

Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement and Mainland (內地與香港關於建立更緊密經貿關係的安排) and Macao Closer Economic Partnership Arrangement (內地與澳門關於建立更緊密經貿關係的安排), as well as subsequent amendments from time to time, the Mainland has committed to open the aforesaid services to service providers from Hong Kong and Macao Special Administrative Regions subject to certain restrictions. According to the notice of the MIIT on the pilot program for expanding the opening up of value-added telecommunications services (工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告) issued on April 8, 2024, in certain districts of Beijing, Shanghai, Hainan and Shenzhen, the restrictions on the foreign equity ratios for IDC Service are removed.

## **LAWS AND REGULATIONS RELATED TO THE PROTECTION OF CYBERSECURITY AND DATA PROTECTION**

### **Laws and Regulations Relating to Cybersecurity**

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity law of the People’s Republic of China (網絡安全法) (the “Cybersecurity Law”), which came into effect on June 1, 2017 and was last amended on October 28, 2025. Pursuant to the Cybersecurity law, the PRC’s Government support basic theoretical research on AI and the research and development of key technologies such as algorithms, advance the construction of infrastructure such as training data resources and computing power, improve ethical norms for AI, strengthen risk monitoring and assessment and safety supervision, and promote the application and healthy development of AI.

The PRC government has enacted laws and regulations with respect to internet information security and protection of personal information from any abuse or unauthorized disclosure. Internet information in the PRC is regulated and restricted from a national security standpoint. The SCNPC enacted the Decision on the Maintenance of Internet Security (關於維護互聯網安全的決定) on December 28, 2000, which was amended on August 27, 2009 and may subject persons to criminal liabilities in the PRC for any attempt to undermine the safe operation of the internet, sabotage national security and social stability, hinder the order of the socialist market economy and social administration, or infringe personal, property and other legitimate rights and interests of individuals, legal persons and other organizations.

### **Cybersecurity Review**

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (網絡安全審查辦法), which came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by operator of critical information infrastructure and the activities of data process carried out by Internet platform operator that raise or may raise “national security” concerns are subject to strict cybersecurity review by the Cybersecurity Review Office established by the CAC. Before critical information infrastructure operator purchases network products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for a cybersecurity review by the Cybersecurity Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, Internet platform operators that possess the personal information of over one million users must apply for a review by the Cybersecurity Review Office, if they plan listing of companies in foreign countries. The CAC may voluntarily conduct cybersecurity review if any network products and services and activities of data process affects or may affect national security. The cybersecurity review focuses on the assessment of risk factors include (i) the risk of critical information infrastructure being illegally controlled, interfered or destroyed as a result of the use of the products or services; (ii) the continuous harm to the business of critical information

## REGULATORY OVERVIEW

infrastructure by the interruption of provision of products or services; (iii) the security, openness, transparency, diversity of sources, reliability of supply channels and potential supply interruptions of products and services due to political, diplomatic, trade or other factors; (iv) whether the products and service providers comply with PRC laws, administrative regulations and departmental rules; (v) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, illegally utilized or exited the country; (vi) regarding to listing, there are risks of critical information infrastructure, core data, important data or a large amount of personal information being influenced, controlled or maliciously used by foreign governments, as well as network information security risks; and (vii) other factors that may endanger the security of critical information infrastructure, cybersecurity and data security. It may take approximately 70 business days in maximum for the general cybersecurity review upon the delivery of their applications, which may be subject to extensions for a special review.

Pursuant to the Security Protection Regulations for Critical Information Infrastructure (關鍵信息基礎設施安全保護條例) (the “**CII Regulations**”) issued by the State Council, which took effect on September 1, 2021, critical information infrastructure means important network facilities and information systems in important industries and fields, such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government, and national defense science, technology and industry, that may seriously endanger national security, national economy and people’s livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The CII Regulations further state that the competent authorities and supervisory authorities governing important industries and areas, which specifically and directly responsible of the security protection of the critical information infrastructures, is referred to as the “protection authorities”, and that the relevant protection authorities shall also notify the operator that it is recognized as a CIIO. As of the Latest Practicable Date, we had not been notified in writing or orally by any protection authorities as a CIIO. We should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

### Laws and Regulations Relating to Data Protection

On August 21, 2025, the State Council promulgated the Opinions of the State Council on Deepening the Implementation of the “Artificial Intelligence+” Initiative (國務院關於深入實施“人工智能+”行動的意見) (the “Opinion”), which came into effect on the same day. Pursuant to the Opinion, the PRC government will promote the construction of security capabilities for model algorithms, data resources, infrastructure, application systems, prevent risks arising from model black boxes, hallucinations, algorithmic discrimination, strengthen forward-looking assessment and monitoring and response, and promote the compliant, transparent, and trustworthy application of AI.

Pursuant to the PRC Civil Code (中華人民共和國民法典) adopted by the NPC on May 28, 2020, and effective on January 1, 2021, personal information of natural persons is protected by law. Any organization or individual must legally obtain the relevant personal information of others and must ensure the security of the relevant information, and must not illegally collect, use, process, or transmit the personal information of others, nor illegally trade, provide, or disclose the personal information of others.

The Data Security Law of the People’s Republic of China (中華人民共和國數據安全法) (the “**Data Security Law**”) was passed by the Standing Committee of the 13th NPC at the 29th Session on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the Internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

## REGULATORY OVERVIEW

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法), effective from November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities handling personal information shall bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to rectify, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

### LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

#### Trademarks

The Trademark Law of the People’s Republic of China (中華人民共和國商標法) (the “**Trademark Law**”) became effective on March 1, 1983 and was last amended on April 23, 2019, and the Implementation Rules 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) became effective on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and its implementation rules provide the basic legal framework for the regulation of trademarks in the PRC, covering registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of the National Intellectual Property Administration. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approved for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

#### Patents

The Patent Law of the PRC (中華人民共和國專利法) and the Implementation Rules of the Patent Law of the PRC (中華人民共和國專利法實施細則) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: “invention,” “utility model” and “design.” Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new esthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the “first to file” principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders’ rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

## REGULATORY OVERVIEW

### Copyright and Software Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the People’s Republic of China (中華人民共和國著作權法) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the People’s Republic of China (中華人民共和國著作權法實施條例) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, internet activities, products disseminated over the internet and software products also enjoy copyright. Pursuant 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 Regulation on Protection of Computer Software (計算機軟件保護條例) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Protection of Computer Software.

### Domain Names

Internet domain name registration and related matters are regulated by the Administrative Measures on Internet Domain Names (互聯網域名管理辦法) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (國家頂級域名註冊實施細則) promulgated by China Internet Network Information Center and taking into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a “first come, first file” principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

### REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the PRC Civil Code, a lessee may, upon the lessor’s consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (中華人民共和國城市房地產管理法), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (商品房屋租賃管理辦法) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people’s government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people’s governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties’ failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

## REGULATORY OVERVIEW

### LAWS AND REGULATIONS RELATED TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

#### General Labor Contract Rules

Labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labor Contract Law of the People’s Republic of China (中華人民共和國勞動合同法), promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People’s Republic of China (中華人民共和國勞動法), promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation and educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that are in compliance with national standards and necessary articles for labor protection.

#### 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) passed by the SCNPC on October 28, 2010 and amended on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employer who fails to promptly pay social insurance contributions in full amount shall be ordered to pay or supplement within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Administrative Regulations on the Housing Provident Fund (住房公積金管理條例) passed by the State Council on April 3, 1999 and last amended on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people’s court for compulsory enforcement.

### LAWS AND REGULATIONS RELATED TO TAXATION

#### PRC Enterprise Income Tax Law

According to the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) promulgated by the NPC on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (中華人民共和國企業所得稅法實施條例) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC’s government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

## REGULATORY OVERVIEW

### Value-Added Tax

According to the PRC Value-added Tax Law (中華人民共和國增值稅法), as announced by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, entities and individuals selling goods, services, intangible assets, real property in China, and importing goods to China, shall be identified as taxpayers of value-added tax.

Unless otherwise provided by laws, the value-added tax rate is: 13% for taxpayers selling goods, labor services of processing, repairing or maintenance, or tangible movable property leasing services or importing goods; 9% for taxpayers selling transportation, postal, basic telecommunication, construction, or immovable property leasing services, immovable property, transferring the rights to use land, or selling or importing specific goods; 6% for taxpayers selling services or intangible assets; 0% for domestic entities and individuals selling services or intangible assets within the scope prescribed by the State Council across national borders; 0% for exported goods, except as otherwise specified by the State Council.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知), promulgated by the Ministry of Finance and the State Administration of Taxation on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner, and all taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

According to the Circular of the Ministry of Finance and the State Administration of Taxation on Policies for Simplifying and Consolidating Value-added Tax Rates (財政部、國家稅務總局關於簡併增值稅稅率有關政策的通知), announced by the Ministry of Finance and the State Administration of Taxation on April 28, 2017, the structure of value-added tax rates were simplified from July 1, 2017, and the 13% value-added tax rate shall be canceled. The scope of goods with 11% value-added tax rate and the provisions for deducting input tax are specified.

According to the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (財政部、國家稅務總局關於調整增值稅稅率的通知) announced by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, from May 1, 2018, where a taxpayer engages in a value-added tax taxable sales activity or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening Value-Added Tax Reform (財政部、國家稅務總局及海關總署關於深化增值稅改革有關政策的公告) promulgated on March 20, 2019, with respect to value-added tax taxable sales or imported goods of a value-added tax general taxpayer, the originally applicable value-added tax rate of 16% shall be adjusted to 13%; the originally applicable value-added tax rate of 10% shall be adjusted to 9%.

### LAWS AND REGULATIONS RELATED TO DIVIDEND DISTRIBUTION

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (非居民納稅人享受協定待遇管理辦法), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non resident taxpayers are entitled to preferential treatment under tax treaties through self determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

## REGULATORY OVERVIEW

### LAWS AND REGULATIONS RELATED TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (中華人民共和國外匯管理條例) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008 and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local branches. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant PRC rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant PRC rules and regulations.

According to the Notice of Funds Raised by Domestic Enterprises Listed Overseas (關於境內企業境外上市資金管理有關問題的通知) issued by the People’s Bank of China (中國人民銀行, the “PBOC”) and the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局, the “SAFE”) on December 24, 2025, effective on April 1, 2026, the domestic companies shall register the overseas listing with a bank located at its registered address in 30 working days from the first trading day of the overseas listing or the completion of the Over-allotment Option.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (資本項目外匯業務指引(2024年版)) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The Notice on Further Simplifying and Improving Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知), which was issued by SAFE on February 13, 2015 and was amended on December 30, 2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE’s supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise’s scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (關於進一步改進和調整直接投資外匯管理政策的通知) (the “SAFE Circular 13”), which became effective on December 17, 2012 and was last amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (關於改革和規範資本項目結匯管理政策的通知) (the “SAFE Circular 16”), was promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency

## REGULATORY OVERVIEW

to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (關於進一步推進外匯管理改革完善真實合規性審核的通知), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years’ losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (關於進一步促進跨境貿易投資便利化的通知), which was promulgated by the SAFE on October 23, 2019, and was amended on December 4, 2023. Among other things, it allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知) promulgated with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

## REGULATIONS RELATING TO OVERSEAS LISTING

### Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and five relevant guidelines (the “**Overseas Listing Trial Measures**”) were promulgated by the China Securities Regulatory Commission (中國證券監督管理委員會, the “**CSRC**”) on February 17, 2023, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, issuers seeking an initial public offering or listing abroad must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad.

Pursuant to the aforementioned regulations, issuers are prohibited from overseas offering and listing if they fall under one of the following circumstances: (1) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no

## REGULATORY OVERVIEW

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conclusion has yet been made thereof; (5) where there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC, submit a filing report legal opinion, and other relevant materials and provide truthful, accurate and complete information on the shareholders, among other details.

### **Guidelines for the Application of “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Revision)**

The Guidelines for the Application of “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Revision) (H股公司境內未上市股份申請“全流通”業務指引(2023修訂)) were issued and implemented by the CSRC on August 10, 2023. According to these guidelines, domestic unlisted joint stock companies may file with the CSRC for “full circulation” simultaneously with their initial public offerings or listings in overseas markets.