

REGULATORY OVERVIEW

This section sets forth a summary of the most significant rules and regulations that affect our business activities in the People’s Republic of China (the “PRC”).

REGULATIONS RELATING TO COSMETICS

Production and Sales of Cosmetics

According to the Regulation on the Supervision and Administration of Cosmetics (《化妝品監督管理條例》), which was promulgated by the State Council on 16 June 2020 and became effective on 1 January 2021, and the Measures for the Supervision and Administration of Production and Operation of Cosmetics (《化妝品生產經營監督管理辦法》), which was promulgated by the SAMR on 2 August 2021 and became effective on 1 January 2022, any entity that engages in cosmetic production activities within the PRC shall obtain a cosmetics production license in accordance with the PRC law. Cosmetic registrants and recordation entities may produce cosmetics themselves or entrust other enterprises to produce cosmetics on their behalf. If cosmetics are produced under entrustment, the registrants or recordation entities shall entrust enterprises that have obtained the corresponding cosmetics production license, and shall supervise the production activities of the entrusted enterprises to ensure that production is carried out in accordance with legal requirements. Cosmetic operators on e-commerce platforms, as well as e-commerce operators selling cosmetics through other online services, shall fully, truthfully, and accurately disclose on the main page of their business activities the information on cosmetic labels and other details consistent with the cosmetic registration or recordation materials. Cosmetic advertisements must not explicitly or implicitly suggest that the products have medical effects, must not contain any false or misleading content, and must not deceive or mislead consumers.

According to the Measures for the Supervision and Administration of Online Operation of Cosmetics (《化妝品網絡經營監督管理辦法》), which was issued on 31 March 2023 by the NMPA and became effective on 1 September 2023, cosmetic operators on e-commerce platforms, as well as e-commerce operators selling cosmetics through other online services, shall establish and implement a system for inspecting and recording incoming goods. They shall also fulfill their obligation to disclose cosmetic information, fully, truthfully, accurately, clearly, and promptly disclosing information such as cosmetic labels that is consistent with the registration or recordation materials.

According to the Cosmetics Good Manufacturing Practice (《化妝品生產質量管理規範》), which was issued by the NMPA on 6 January 2022 and became effective on 1 July 2022, cosmetic registrants and recordation entities shall establish a production quality management system to achieve control and traceability over the entire process of cosmetics, including material procurement, production, testing, storage, sales, and recall, in order to ensure the continuous and stable production of cosmetics that meet quality and safety requirements. In the case of contract manufacturing of cosmetics, the entrusting party shall be the registrant or recordation entity of the cosmetics.

According to the Safety and Technical Specification for Cosmetics (Version 2015) (《化妝品安全技術規範(2015年版)》), which was issued by the State Food and Drug Administration on 23 December 2015 and became effective on 1 December 2016, cosmetics shall undergo a safety risk assessment to ensure that, under normal, reasonable, and foreseeable conditions of use, they do not pose a hazard to human health. Prior to marketing, cosmetics shall undergo necessary testing to ensure that cosmetics are safe for human use.

According to the Measures for the Administration of Cosmetic Labels (《化妝品標籤管理辦法》), which was issued by the NMPA on 31 May 2021 and became effective on 1 May 2022, cosmetic registrants and recordation entities are responsible for the legality, authenticity, completeness, accuracy, and consistency of cosmetic labels. The smallest sales unit of a cosmetic product shall bear a label. The content of the labels shall be legal, truthful, complete, and accurate, and shall be consistent with the relevant information in the product registration or recordation.

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Registration and Recordation of Cosmetics and Cosmetics Ingredients

According to the Regulation on the Supervision and Administration of Cosmetics (《化妝品監督管理條例》), the state implements category-based administration on cosmetics and cosmetic ingredients according to the degree of risks. The State exercises the registration administration on special cosmetics and record-filing administration on ordinary cosmetics. The state implements registration management for new cosmetic raw materials with higher risk levels, and recordation management for other new cosmetic raw materials.

According to the Measures for the Administration of the Registration and Recordation of Cosmetics (《化妝品註冊備案管理辦法》), which was issued by the SAMR on 7 January 2021 and became effective on 1 May 2021, before general cosmetics are marketed or imported, the recordation entity shall complete the recordation by submitting the required materials through the information service platform in accordance with the requirements of the NMPA; before special cosmetics are produced or imported, the registration applicant shall submit application materials in accordance with the requirements of the NMPA. For new cosmetic ingredients with preservative, sunscreen, coloring, hair-dyeing, or freckle-removing/whitening functions, applicants must complete registration in accordance with the requirements of the NMPA; for other new cosmetic ingredients, applicants shall complete recordation by submitting the required materials in accordance with the NMPA's requirements. Registration requires approval by the drug administration authority, whereas recordation merely involves the submission of materials for record.

According to the Administrative Provisions of Cosmetics Registration and Filing Documents (《化妝品註冊備案資料管理規定》) (Announcement No. 32 of 2021 of the NMPA), the Administrative Provisions on Materials for Registration and Record Filing of New Cosmetic Ingredients (《化妝品新原料註冊備案資料管理規定》) (Announcement No. 31 of 2021 of the NMPA), the Classification Rules and Catalog of Cosmetics (《化妝品分類規則和分類目錄》) (Announcement No. 49 of 2021 of the NMPA), the Technical Guideline for Safety Assessment of Cosmetics (Version 2021) (《化妝品安全評估技術導則(2021年版)》) (Announcement No. 51 of 2021 of the NMPA), the Standards for Cosmetic Efficacy Claim Evaluation (《化妝品功效宣稱評價規範》) (Announcement No. 50 of 2021 of the NMPA), all of which became effective on 1 May 2021, and the Specifications for the Implementation of Cosmetics Registration and Filing Inspection (《化妝品註冊和備案檢驗工作規範》) (Announcement No. 72 of 2019 of the NMPA), which became effective on 3 September 2019, applicants shall submit materials in accordance with the provisions of the aforementioned laws and regulations to apply for cosmetic registration or complete the recordation.

REGULATIONS RELATING TO MEDICAL DEVICES

Pursuant to the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) promulgated by the State Council on 4 January 2000, last amended on 6 December 2024 and effective on 20 January 2025, the State adopts a medical device classification system based on the associated risk level. Class I medical devices are those with low risk, the safety and effectiveness of which can be ensured through routine administration. Class II medical devices are those with moderate risk, requiring strict control and administration to ensure their safety and effectiveness. Class III medical devices are those with high risk, necessitating strict control and administration through the adoption of special measures to ensure their safety and effectiveness. To conduct the business operation of Class II medical devices, an enterprise is required to complete a filing with the drug regulatory department of the people's government at the municipal level (with districts) in its locality and to submit the relevant materials as prescribed.

Pursuant to the Measures on Supervision and Administration of Business Operations of Medical Devices (《醫療器械經營監督管理辦法》) issued by the SAMR on 30 July 2014, and last amended on 10 March 2022 and came into effect on 1 May 2022, any entity engaging in the business operation of medical devices must comply with all applicable laws, regulations, rules, mandatory

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standards, and the good supply practice for medical devices to ensure that all information generated in the course of its business operations is authentic, accurate, complete and traceable. The business operation of medical devices is subject to a classified regulatory regime based on risk levels. The business operation of Class III medical devices is subject to licensing approval; the business operation of Class II medical devices is subject to record-filing requirements; and the business operation of Class I medical devices is exempt from both licensing and record-filing requirements.

Pursuant to the Administrative Measures on Supervision of Online Sales of Medical Devices (《醫療器械網絡銷售監督管理辦法》) issued by the State Food and Drug Administration on 20 December 2017 and became effective on 1 March 2018, any enterprise engaged in the online sale of medical devices is required to comply with all applicable regulations, rules and standards governing medical devices, establish and improve its quality management system and conduct business operations in good faith and in compliance with the law, so as to ensure the quality and safety of the medical devices. Enterprises engaged in the online sale of medical devices are required to complete and submit an Online Sales Information Form to the municipal-level (with districts) food and drug administrative authority in their locality for filing in advance. In the event of any change to the filed information, the enterprise must promptly complete the formalities for a change filing with such authority. The scope of online sales activities conducted by an enterprise must not exceed the business scope specified in its license or filing. A medical device retail enterprise selling its products online may only sell directly to individual consumers. All medical devices sold to individual consumers must be suitable for personal use, and their product instructions must comply with the relevant administrative provisions for medical device labeling and instructions, clearly stating any special safety guidance for use.

LAWS AND REGULATIONS ON IMPORT AND EXPORT TRADE

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the “Foreign Trade Law”) promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on 12 May 1994, and latest amended and came into effect on 30 December 2022, the state permits free import and export of goods and technology, unless otherwise regulated by laws and administrative regulations. Before 30 December 2022, according to the pre-amended Foreign Trade Law, foreign trade operators engaged in the import or export of goods or technology shall file for registration with the foreign trade authority under the State Council or with an agency entrusted by it, unless laws, administrative regulations, or provisions of the foreign trade authority under the State Council stipulate that registration is not required.

According to the Customs Law of the PRC (《中華人民共和國海關法》) (the “Customs Law”) promulgated by the SCNPC on 22 January 1987, latest amended and effective on 29 April 2021, and the Administrative Provisions on the Filing Management of Customs Declaration Entities of the PRC (《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 19 November 2021 and effective on 1 January 2022, consignors and consignees of import and export goods, as well as customs declaration enterprises shall file with the customs authorities when handling customs procedures. Customs duties shall be levied by customs authorities on goods permitted for import and export.

REGULATIONS RELATING TO ADVERTISING

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) (the “Advertising Law”), which was promulgated on 27 October 1994 and last amended by the SCNPC and came into effect on 29 April 2021, advertisements must not contain any false or misleading content, nor may they deceive or mislead consumers. Where an advertisement makes statements about the performance, functions, place of origin, uses, quality, ingredients, price, producer, period of validity, promises, etc., of a product, or about the content, provider, form, quality, price, promises, etc., of a service, such statements must be accurate, clear, and easy to understand.

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The Cyberspace Administration of China, Ministry of Public Security, Ministry of Commerce, along with other regulatory bodies, introduced a trial Regulations on the Management of Online Live Marketing (《網絡直播營銷管理辦法(試行)》) issued on 23 April 2021 and effective from 25 May 2021, emphasizing that livestream room operators and livestream anchors engaging in online livestream marketing activities shall publish information about goods or services truthfully, accurately, and comprehensively. They shall not (i) release false or misleading information or deceive or mislead users; (ii) market counterfeit or substandard goods, goods that infringe intellectual property rights, or goods that do not meet personal and property safety requirements; (iii) fabricate or tamper with data such as transactions, follower counts, view counts, or likes to falsify traffic; (iv) know or have reason to know of illegal, non-compliant, or high-risk activities by others, yet still provide promotion or traffic diversion services for such activities; (v) harass, defame, abuse, or threaten others or infringe upon the lawful rights and interests of others; (vi) engage in pyramid schemes, fraud, gambling, or the sale of prohibited or controlled articles, among other activities.

According to the Measures for the Administration of Internet Advertisements (《互聯網廣告管理辦法》), which was issued by the SAMR on 25 February 2023 and became effective from 1 May 2023, advertisers are responsible for the authenticity of the content of Internet advertisements. Where a goods seller promotes goods through livestreaming over the internet and such promotion constitutes a commercial advertisement, they shall, in accordance with the law, assume the responsibilities and obligations of an advertiser.

According to the Guiding Opinions of the State Administration for Market Supervision on Strengthening the Supervision of Online Live Streaming Marketing Activities (《市場監管總局關於加強網絡直播營銷活動監管的指導意見》) which was issued by the SAMR and effective from 5 November 2020, any entity’s promotion on the performance, functions, quality, sales status, user reviews, awards, or similar aspects of goods or services through online livestreaming, must be truthful and lawful, and comply with the relevant provisions of the Anti-Unfair Competition Law. If the livestream content constitutes a commercial advertisement, the responsibilities and obligations of an advertiser shall be fulfilled in accordance with the provisions of the Advertising Law.

According to the Notice on the Joint Issuance of Opinions on Further Regulating Online Live Streaming Profit-making Activities and Promoting Healthy Industry Development by the Cyberspace Administration of China, the State Taxation Administration (the “STA”) and the SAMR (《國家互聯網信息辦公室、國家稅務總局、國家市場監督管理總局聯合印發〈關於進一步規範網絡直播營利行為促進行業健康發展的意見〉的通知》) issued and effective from 25 March 2022, livestream publishers must not engage in false or misleading commercial promotion regarding the producer or operator of goods, or the performance, functions, quality, origin, awards received, qualifications, sales status, transaction information, business data, user reviews, or other such information about the goods. Livestream publishers must not deceive or mislead consumers or the relevant public, nor may they assist other operators in carrying out such conduct.

REGULATIONS RELATING TO PRODUCT QUALITY AND CONSUMER PROTECTION

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “Product Quality Law”) promulgated by the SCNPC on 22 February 1993, latest amended and effective on 29 December 2018, producers shall be responsible for the quality of the products they manufacture, while sellers must take measures to maintain the quality of the products they sell. Both producers and sellers are required to establish and improve internal product quality management systems, strictly enforce quality standards, quality responsibilities, and corresponding evaluation measures.

In accordance with the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), promulgated by the SCNPC on 31 October 1993, latest amended on 25 October 2013 with immediate effect, in the provision of goods or services to

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consumers, business operators shall adhere to social ethics, engage in good faith operations, and safeguard the lawful rights and interests of consumers; business operators shall not impose unfair or unreasonable terms of trade, nor engage in coercive transactions. Business operators are required to ensure that the goods or services provided meet the standards necessary to protect personal and property safety; furthermore, business operators shall provide consumers with accurate and comprehensive information regarding the quality, performance, purpose, and expiration date of goods or services and shall refrain from any false or misleading representations.

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 (the “NPC”) on 28 May 2020 and became effective on 1 January 2021, where harm is caused to a customer due to a product defect, the aggrieved party has the right to seek compensation from the product’s manufacturer; if a product defect endangers the personal or property safety of a customer, the aggrieved party has the right to request that the manufacturer assume liability for halting the infringement, removing the obstruction, or eliminating the danger.

According to the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), which was promulgated by the SCNPC on 31 August 2018 and became effective on 1 January 2019, e-commerce business operators engaging in business activities shall adhere to the principles of voluntary participation, equality, fairness and integrity, comply with laws and business ethics, participate in market competition fairly, perform the obligations of consumer rights and interests protection, environmental protection, intellectual property protection, cybersecurity and protection of personal information, etc., undertake product and service quality responsibilities, and accept government and public supervision. According to the Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law to the Trial of Cases of Online Consumption Disputes (I) (《最高人民法院關於審理網絡消費糾紛案件適用法律若干問題的規定(一)》), which was issued on 1 March 2022 and became effective on 15 March 2022, the format clauses provided by the e-commerce operators that satisfy the relevant circumstances are invalid, and provisions have been made in respect of the identification of the responsible subject of e-commerce operation and the civil liability for live marketing.

REGULATIONS RELATING TO UNFAIR COMPETITION

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “Anti-Unfair Competition Law”), which was promulgated by the SCNPC on 2 September 1993 and was latest amended on 27 June 2025 and came into effect on 15 Oct 2025, operators shall, in their production and distribution activities, adhere to the principles of voluntary participation, equality, fairness and integrity, and comply with laws and business ethics. Operators who violate the provisions of the Anti-Unfair Competition Law will bear corresponding civil, administrative or criminal liabilities according to the specific circumstances.

According to the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), which was issued by the State Administration for Industry and Commerce of the PRC on 15 November 1996 and became effective on the same date, operators who sell or purchase goods through bribery may be fined and have the illegal proceeds confiscated, depending on the circumstances; if a crime is committed, the operator will be held criminally liable in accordance with the law.

REGULATIONS RELATING TO LAND AND THE DEVELOPMENT OF CONSTRUCTION PROJECTS

Land-use rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was promulgated by the SCNPC on 25 June 1986 and newly amended on 26 August 2019 and became effective on 1 January 2020, land owned by the state may be remised or allotted to

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construction units or individuals in accordance with the law. The People's Government at or above the county level shall register and put on record uses of state-owned land used by construction units or individuals, and issue certificates to certify the land use rights.

Regulations on Planning of a Construction Project

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was promulgated by the SCNPC on 28 October 2007 and newly amended and became effective on 23 April 2019, a Construction Land Planning Permit is required for the use of both allocated land and granted land. Where construction work is conducted in a city or town planning area, the relevant construction entity or individual shall apply for a construction work planning permit from a competent urban and rural planning administrative department of the People's Government at the municipal or county level or the People's Government at the municipal or county level or to the People's Government of a town as recognized by the People's Government of a province, autonomous region or municipality.

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on 1 November 1997, latest amended and effective on 23 April 2019, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit from a competent department of the Construction Administration of the People's Government at or above the county level of the place where the project is located pursuant to the relevant regulations, except for small projects below the threshold value set by the competent construction administrative department under the State Council. Construction projects which have obtained approval of construction commencement reports in accordance with the procedures stipulated by the State Council under its authority are no longer required to apply for construction licenses.

According to the Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》), which was promulgated by the State Council on 30 January 2000, latest amended and became effective on 23 April 2019, and the Administrative Measures for the Filing of As-built Inspection of Housing, Building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), which was issued and became effective on 19 October 2009 by the Ministry of Housing and Urban-Rural Development of the PRC, after the construction unit receives a project completion report, it shall organize the entities of design, construction, project supervision, etc. to conduct completion based check and acceptance. A construction unit shall conduct filing with the competitive construction department of government at or above the county level at the place where the project is located within 15 days from the date on which the as-built inspection of the project is passed.

REGULATIONS RELATING TO LEASING

According to the Urban Real Estate Administration Law 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 5 July 1994, latest amended on 26 August 2019 and became effective on 1 January 2020, when leasing a house, the lessor and lessee shall sign a written lease contract, prescribing such provisions as the leasing term, use of the house, rental and repair liabilities, and other rights and obligations of both parties; and go through registration procedures for record with the real estate administration department.

REGULATIONS RELATING TO WORK SAFETY

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on 29 June 2002, latest amended on 10 June 2021 and effective on 1 September 2021, producers and business operators must meet the safety conditions stipulated by this law, as well as relevant laws, administrative regulations, and national or industry standards;

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units that do not meet safety conditions are prohibited from engaging in production and business activities. The safety responsibility system for all personnel in production and business units must clearly define the responsible persons for each position, the scope of responsibilities, and the evaluation criteria.

REGULATIONS RELATING TO FIRE SAFETY

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was promulgated by the SCNPC on 29 April 1998, latest amended on 29 April 2021 with immediate effect, any construction project that is legally required to undergo fire safety inspection shall not be put into use if it has not passed the fire safety inspection or if the inspection results are unsatisfactory; for other construction projects that fail random inspections, usage shall be discontinued; enterprises shall fulfill their fire safety responsibilities.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on 26 December 1989, latest amended on 24 April 2014 and effective on 1 January 2015, enterprises and institutions that discharge pollutants shall establish an environmental protection responsibility system, clearly defining the responsibilities of the unit's leaders and relevant personnel. The pollution prevention and control facilities in construction projects must be designed, constructed, and put into use simultaneously with the main project. The preparation of relevant development and utilisation plans and the construction of the projects having impact on the environment shall be subject to environmental impact assessment in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on 28 October 2002, latest amended and effective on 29 December 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on 29 November 1998, latest amended on 16 July 2017 and came into effect on 1 October 2017, for projects that may cause significant environmental impacts, an environmental impact report shall be prepared to conduct a comprehensive assessment of the potential environmental effects; for projects that may cause minor environmental impacts, an environmental impact report form should be prepared to analyse or conduct a specialised assessment of the potential environmental effects; and for projects with minimal environmental impact that do not require an environmental impact assessment, an environmental impact registration form should be filed. The environmental impact report and report form for construction projects shall be submitted by the construction entity to the competent environmental authority, while the environmental impact registration form shall be filed with the competent environmental authority. If the environmental impact assessment documents for a construction project have not been reviewed by the competent environmental authority or have not received approval after review, the construction entity shall not commence construction.

According 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》) promulgated by the Ministry of Environmental Protection of the PRC (later renamed as the Ministry of Ecology and Environment) on 20 November 2017 and effective on the same date, after the completion of the construction projects for which the environment effect report and environment effect report form was prepared, a construction unit shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environment protection facilities, and prepare inspection and acceptance report. No supplementary facilities of such projects may be put into production or use until such facilities pass inspection and acceptance; no supplementary facilities that failed to undergo or pass the inspection and acceptance procedure may be put into production or use.

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REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on 7 November 2016 and came into effect on 1 June 2017, the state implements a network security graded protection system. Network operators shall, in accordance with the requirements of this system, fulfill the security protection obligations to ensure that networks are free from interference, damage, or unauthorized access, and to prevent network data from being leaked, stolen, or tampered with. When collecting and using personal information, network operators shall follow the principles of legality, legitimacy, and necessity, disclose the rules for collection and use, clearly state the purpose, methods, and scope of information collection and use, and obtain the consent of the individuals whose information is being collected.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated by the SCNPC on 10 June 2021 and effective on 1 September 2021, any entity carrying out data processing activities shall establish and improve a comprehensive data security management system, organize data security education and training, and adopt appropriate technical and other necessary measures to ensure data security. When conducting data processing activities using the Internet or other information networks, the organization shall fulfill the above data security protection obligations on the basis of the network security graded protection system.

According to the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) promulgated by the State Council on 24 September 2024 and effective on 1 January 2025, where cyber data processing activities carried out by a cyber data processor affect or may affect national security, a national security review shall be conducted in accordance with the relevant provisions issued by the State. If a cyber data processor handles the personal information of over 10 million individuals, it shall also comply with the regulations on cyber data processors handling important data.

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) adopted by the SCNPC on 20 August 2021 and effective on 1 November 2021, and the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) promulgated by the State Council on 24 September 2024 and effective on 1 January 2025, network data processors shall have a clear and reasonable purpose when processing personal information, and the processing shall be directly related to that purpose. They shall adopt methods that minimize the impact on individual rights, and the collection of personal information shall be limited to the minimum scope necessary to achieve the processing purpose, without excessive collection. Network data processors shall, in accordance with the provisions of laws, administrative regulations, and mandatory national standards, and on the basis of the network security graded protection system, strengthen network data security protection. They shall establish and improve a network data security management system, adopt technical measures and other necessary measures such as encryption, backup, access control, and security authentication to protect network data from tampering, damage, leakage, illegal access, or illegal use. They shall handle network data security incidents, prevent illegal activities targeting or using network data, and bear primary responsibility for the security of the network data they process.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on 7 September 1990, latest amended on 11 November 2020 and effective on 1 June 2021, Chinese citizens, legal persons or other organizations own copyright in their copyrightable works (whether published or not), including ingenious intellectual achievements in the fields of literature, art and science that are original and can be expressed in certain forms. Copyright holders enjoy a number of legal rights, including the right of publication, the right of attribution, the right of modification, the right of reproduction, the right of protection of the integrity of the work, and a series of personal and property rights in the work.

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Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and effective on 1 November 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on 3 August 2002, amended on 29 April 2014 and effective on 1 May 2014, natural persons, legal persons, or other organizations that need to obtain exclusive rights to a trademark for their commodities or services shall apply for trademark registration. The exclusive right to use a registered trademark is limited to the commodities specified for use. A registered trademark shall be valid for 10 years, commencing from the date of approval of the registration.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on 12 March 1984, latest amended on 17 October 2020, with the latest revision effective on 1 June 2021, and the Implementation Rules for 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 21 December 1992 and latest amended on 11 December 2023, with the latest revision effective on 20 January 2024, a patent in the PRC shall be categorized as invention, utility model and design. The validity period of patent rights for an invention shall be 20 years, the validity period of patent rights for a utility model shall be 10 years and the validity period of patent rights for a design shall be 15 years, commencing from the filing date.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on 24 August 2017 and became effective on 1 November 2017, domain name owners are required to register their domain names with the Ministry of Industry and Information Technology. Domain name registration is handled by a domain name service organization established in accordance with the relevant regulations, and the applicant becomes the holder of the domain name after successful registration.

REGULATIONS RELATING TO LABOUR PROTECTION

According to the Labour Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on 5 July 1994, latest amended and effective on 29 December 2018 and the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, latest amended on 28 December 2012 and effective on 1 July 2013, an employment relationship shall be established between the employer and the employee from the date of employment. A written labour contract must be concluded when establishing an employment relationship. Employers must pay their employees no less than the local minimum wage standard. Employers are required to establish and improve labour safety and hygiene systems, strictly enforce national labour safety and hygiene regulations and standards, and provide safety and health education to employees to prevent workplace accidents and reduce occupational hazards. Employers must also establish and improve labour rules to ensure that employees enjoy their labour rights and fulfill their labour obligations.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on 28 October 2010, latest amended and effective on 29 December 2018 and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on 22 January 1999, amended and effective on 24 March 2019, the employee must participate in basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance, with contributions jointly made by both the employer and the employee. Both the employer and the employee shall jointly contribute to unemployment insurance premiums, medical insurance premiums and pension insurance premiums; while the employer shall be solely responsible for

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paying the work-related injury insurance premiums and maternity insurance premiums. If an employer fails to register for social insurance, the social insurance administrative department shall order the employer to correct the violation within a specified period. If the employer fails to make corrections within the specified period, a fine of not less than one time and not more than three times the amount of the social insurance premiums due shall be imposed on the employer. If an employer fails to pay social insurance premiums in full and on time, the social insurance collection agency shall order the employer to pay or make up the arrears within a specified period. From the date of default, a daily late fee of 0.05% of the overdue amount will be charged. If the payment is still not made after the deadline, the relevant administrative department may impose a fine of not less than one time and not more than three times the unpaid amount.

According to the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999 and latest amended on 24 March 2019, the employer shall register with the Housing Provident Fund Management Center for housing provident fund contributions and establish housing provident fund accounts for its employees. Both the employer and the employee shall jointly contribute to the housing provident fund. If an employer fails to register for housing provident fund contributions or fails to establish housing provident fund accounts for its employees, the Housing Provident Fund Management Center shall order the employer to complete the registration within a specified period. If the employer fails to comply within the specified period, a fine between RMB10,000 and RMB50,000 may be imposed. If the employer delays or underpays the housing provident fund contributions, the Housing Provident Fund Management Center shall order the employer to make the contributions within a specified period. If the employer still fails to comply, the Housing Provident Fund Management Center may apply to the People’s Court for enforcement.

REGULATIONS RELATING TO TAX

Enterprise income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated by the SCNPC on 16 March 2007, last amended and effective on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on 6 December 2007, last amended on 6 December 2024 and effective on 20 January 2025, a resident enterprise refers to an enterprise that is established within the PRC, or which is established under the law of a foreign country (region) but whose de-facto management body is within the PRC. A resident enterprise must pay the enterprise income tax on its incomes derived from both within and outside the PRC at the rate of 25%.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) (“VAT Regulations”) which was promulgated by the State Council on 13 December 1993 and amended and came into effect on 19 November 2017, entities and individuals that sell goods or labor services of processing, repair or replacement, sales, intangible assets, real estates, or import goods within the territory of the PRC are taxpayers of value-added tax (“VAT”), and shall pay VAT.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of our PRC companies are subject to the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”), which was issued by the SCNPC on 29 December 1993 and last amended on 29 December 2023, and came into force on 1 July 2024. According to the Company Law, foreign-invested companies are also subject to the Company Law, unless otherwise provided by the laws relating to foreign investment.

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According to the Company Law, for limited liability companies and joint-stock companies that may be established within the territory of China, the shareholders of a limited liability company shall be liable to the company to the extent of their capital contributions; the shareholders of a joint-stock company shall be liable to the company to the extent of the shares subscribed by them.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”), which was promulgated by the NPC on 15 March 2019 and came into effect on 1 January 2020, foreign natural persons, enterprises or other organizations may directly or indirectly carry out investment activities within China. Foreign investment has the right to enjoy pre-entry national treatment and is subject to the negative list management system.

According to the Regulations for the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on 26 December 2019 and came into effect on 1 January 2020, foreign investors and foreign-invested enterprises may, in accordance with the laws, administrative regulations or the provisions of the State Council, enjoy preferential treatments in the areas of finance, taxation, finance and land use. Foreign investors who expand their investments in China with the proceeds of their investments in China shall enjoy corresponding preferential treatment in accordance with the law.

Foreign Investment Industrial Policy

According to the Catalogue of Industries Encouraging Foreign Investment (Version 2025) (《鼓勵外商投資產業目錄(2025年版)》), which was issued by the National Development and Reform Commission and the Ministry of Commerce on 15 December 2025 and came into effect on 1 February 2026, it includes the National Catalogue of Industries Encouraging Foreign Investment and the Catalogue of Industries with Advantageous Foreign Investment in Central and Western Regions. According to the Special Administrative Measures for Foreign Investment Entry (Negative List) (Version 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was issued by the National Development and Reform Commission and the Ministry of Commerce on 6 September 2024 and came into effect on 1 November 2024, foreign-invested enterprises investing in the territory of the PRC shall comply with the relevant provisions of the Negative List for Foreign Investment Entry.

REGULATIONS RELATING TO FOREIGN EXCHANGE

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

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

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In October 2019, the SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was partially amended on 4 December 2023. It allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in the PRC, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on 10 April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction.

REGULATIONS RELATING TO OVERSEAS LISTING

The China Securities Regulatory Commission (“CSRC”) promulgated the Provisional Measures for the Administration of Domestic Enterprises’ Overseas Issuance of Securities and Listing (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Provisional Measures”) and five relevant guidelines on 17 February 2023, which took effect on 31 March 2023. According to the Overseas Listing Provisional Measures, for direct overseas issuance of securities and listing by domestic enterprises, the issuer shall file with the CSRC within three working days after the issuer submits the application documents for issuance and listing overseas.

In addition, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of PRC promulgated the Provisions on Strengthening Confidentiality and Archival Management Work Related to Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Provisions on Confidentiality and Archival Management”) on 24 February 2023, which took effect on March 31 2023. According to the Provisions on Confidentiality and Archival Management, in the process of overseas issuance and listing by domestic enterprises, the domestic enterprises, as well as the securities companies and service institutions providing corresponding services, shall strictly comply with the relevant laws and regulations of the PRC and the requirements of these provisions, enhance their legal awareness of safeguarding state secrets and strengthening archival management, establish and improve confidentiality and archival management systems, and take necessary measures to implement confidentiality and archival management responsibilities.