

REGULATORY OVERVIEW

We are subject to a variety of PRC laws, regulations and rules affecting many aspects of our business. This section summarises major PRC laws, regulations and rules that are relevant to our business operations. While these PRC Laws may be amended from time to time, this summary does not purport to provide a comprehensive or detailed legal analysis of all such laws relating to our business operations in the PRC, nor does it constitute an exhaustive list of all PRC Laws applicable to our activities in the jurisdiction.

COMPANY AND FOREIGN INVESTMENT

The PRC Company Law (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the PRC National People’s Congress, or the SCNPC, and last revised on 29 December 2023 and became effective on 1 July 2024, applies to both PRC domestic companies and foreign-invested enterprises with respect to their establishment, organisational structure and management, etc. Limited liability companies and joint stock limited companies established in the PRC possess corporate legal person status. The liabilities of shareholders in limited liability companies and joint stock limited companies are limited to the amount of capital they have subscribed to contribute or the shares they have purchased, respectively.

Foreign investment activities within the territory of the PRC are principally governed by the following regulations: (i) the Catalogue of Industries for Encouraging Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging Catalogue**”), (ii) the Special Administrative Measures for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), both of which are jointly promulgated by the Ministry of Commerce of the PRC (the “**MOFCOM**”) and the NDRC and are subject to amendment from time to time, and (iii) 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 adopted by the National People’s Congress (the “**NPC**”) on 15 March 2019 and became effective on 1 January 2020, together with its corresponding implementing rules and ancillary regulations.

Pursuant to the Foreign Investment Law, PRC implements a management system for foreign investment based on pre-entry national treatment and the Negative List. Pre-entry national treatment refers to according foreign investors and their investments treatment no less favourable than that accorded to domestic investors and their investments during the investment admission phase. The Negative List refers to the special administrative measures for market access imposed by the State on foreign investment in specific sectors.

The Negative List (2024 Edition) implemented on 1 November 2024 consolidates restrictive measures concerning equity ratios and management for foreign investment market access, as well as sectors prohibited to foreign investment. The Negative List covers 11 industries. Foreign investment outside the scope of the Negative List shall be accorded national treatment. Foreign investors are prohibited from investing in sectors prohibited by the Negative List. For sectors restricted by the Negative List, foreign investors must comply with the stipulated investment conditions. Foreign investment falling outside the Negative List shall be managed in accordance with the principle of equal treatment for domestic and foreign investment. The State has established a foreign investment information reporting system.

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Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), jointly implemented by the MOFCOM and the State Administration for Market Regulation of the PRC (the “SAMR”) on 1 January 2020, foreign investors or foreign-invested enterprises are required to submit investment information in a timely manner, adhering to the principles of truthfulness, accuracy, and completeness. They are prohibited from submitting false or misleading reports and from omitting material information. Where a foreign-invested enterprise establishes an enterprise within PRC (including through multi-tiered investment), after completing registration and filing with the market regulatory authorities and submitting its annual report information, the relevant information will be shared by the market regulatory authorities with the competent commerce department.

On 19 December 2020, the NDRC and the MOFCOM jointly promulgated the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), which took effect on 18 January 2021. These Measures stipulate the working mechanism for the security review of foreign investment, including, among other things, the types of investments subject to review, the scope of review, and the review procedures. Foreign investors or relevant parties within PRC shall declare investments for security review prior to implementation if they involve: (i) investment in sectors related to national defence and security, such as military industry and supporting industries, as well as investment in areas surrounding military and defence industrial facilities; and (ii) investment in important sectors related to national security, including key agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, vital transportation services, important cultural products and services, key information technology and internet products and services, important financial services, important technologies, and other significant fields; and where such investment results in the acquisition of actual control over the invested enterprise.

The MOFCOM promulgated the Administrative Measures on Overseas Investments Management (《境外投資管理辦法》) on 6 September 2014, which came into effect on 6 October 2014. Pursuant to the definition provided under the Measures, “Overseas investment” refers to an act whereby an enterprise established in accordance with PRC law establishes or acquires ownership, control, management rights or other rights and interests in a non-financial enterprise outside PRC through establishing a new entity, merger and acquisition, or by any other means. Overseas investments involving sensitive countries or regions, or sensitive industries, are subject to approval by the competent authorities. All other overseas investments are subject to a filing-based administration system. Local enterprises shall complete the filing procedures with the provincial-level commerce authorities in their locality. Upon successful registration and filing, qualified enterprises will obtain an “enterprise overseas investment certificate” issued by the relevant provincial commerce authority.

The NDRC promulgated the Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》) on 26 December 2017, which took effect on 1 March 2018. According to the definition under these Measures, “outbound investment” refers to investment activities conducted by a domestic enterprise in PRC, either directly or through an overseas enterprise it controls, by injecting assets, equity, or providing financing or guarantees, to obtain ownership, control, management rights, or other related rights and interests in an overseas target. Undertaking outbound investment requires compliance with certain procedures, including the approval or filing of outbound investment projects, submission of relevant information, and cooperation with supervision and inspection. The NDRC promulgated the Catalogue of Sensitive Industries for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) on 31 January 2018, which took effect on 1 March 2018, detailing the industries currently designated as “sensitive”.

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LAWS AND REGULATIONS ON PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), as amended by the NPCSC on 10 June 2021 and effective from 1 September 2021, an enterprise shall (i) provide the production safety conditions specified in the Production Safety Law and other relevant laws, administrative regulations, national standards, and industry standards, (ii) establish a comprehensive production safety responsibility system and production safety rules and regulations, and (iii) develop the standardisation of production safety to ensure safe production. Entities that do not possess the requisite production safety conditions are prohibited from engaging in production and business operations. The principal responsible person of an enterprise bears overall responsibility for the production safety operations within their entity.

In accordance with the Measures for the Supervision and Administration of the “Three Simultaneities” of Safety Facilities in Construction Projects (《建設項目安全設施“三同時”監督管理辦法》), which were revised by the former State Administration of Work Safety (which was dissolved in March 2018 and superseded by the Ministry of Emergency Management) on 2 April 2015 and effective from 1 May 2015, the safety facilities of new, renovated, or expanded construction projects must be designed, constructed, and put into use in production simultaneously with the main body of the project. Enterprises are required to conduct a feasibility study and pre-assessment of the safety conditions for the construction project, prepare a design for the safety facilities, and submit these for review or filing with the relevant work safety supervision and administration department. Prior to the commissioning or operation of a completed construction project, the enterprise shall organise an acceptance check for the safety facilities and prepare a written acceptance report for record-keeping purposes. Enterprises that violate the relevant provisions may be ordered to make corrections within a specified time limit. Failure to rectify the issues within the deadline may result in an order to suspend construction or cease production and business for rectification, accompanied by the imposition of a fine.

LAWS AND REGULATIONS ON ELECTRIC POWER BUSINESS

Electric Power Market Regulation

Pursuant to the Electricity Law of the PRC (《中華人民共和國電力法》), as most recently amended by the NPCSC on 29 December 2018 and came into effect on the same day, this Law is formulated in order to safeguard and promote the development of electric power operations, to protect the legal rights and interests of investors, operators and consumers of electric power and to ensure the safe operation of electric power. Electric power facilities are protected by the State. Any entity or individual is prohibited from endangering the safety of electric power facilities or illegally appropriating or consuming electric energy. Electric power construction projects shall conform to the electric power development plan and the State’s electric power industry policies, and shall not utilise power equipment or technologies that have been explicitly eliminated by the State.

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General Contracting of Electric Power Engineering Construction

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》), as most recently amended by the NPCSC on 23 April 2019 and implemented thereon, and the Standard for Construction Enterprise Qualifications (《建築業企業資質標準》) and its amendments implemented by the Ministry of Housing and Urban-Rural Development of the PRC (the “MOHURD”) on 1 January 2015, construction project general contracting projects, including power engineering construction general contracting, shall be undertaken by enterprises that have obtained the corresponding construction general contracting qualification. An enterprise that has obtained a general contracting qualification may undertake all specialised works falling within the scope of the general contracting project it has contracted, or may sub-contract specialised works in accordance with the law. Where a specialised work requiring a qualification is sub-contracted, it shall be sub-contracted to an enterprise possessing the corresponding specialised contracting qualification. When sub-contracting labour services, the work shall be sub-contracted to an enterprise possessing a construction labour services qualification.

Installation (Repair, Testing) of Electric Power Facilities

Pursuant to the Administrative Measures for Licences for Installation (Repair, Testing) of Electric Power Facilities (《承裝(修、試)電力設施許可證管理辦法》) most recently amended by the NDRC on 11 April 2025 and effective from 1 July 2025, those engaging in installation, repair, and testing of electric power facilities within the PRC shall obtain a licence for installation (repair, testing) of electric power facilities in accordance with the provisions of these measures. The installation, repair, and testing of electric power facilities specifically refers to the installation, repair, and testing of power transmission (including step-up substations and outgoing lines for power generation projects), power supply, and power consumption facilities. The aforementioned licences are divided into three categories: installation, repair, and testing.

Survey and Design for Construction Projects

In accordance with the Regulations on the Administration of Survey and Design for Construction Projects (《建設工程勘察設計管理條例》) promulgated and implemented by the State Council on 7 October 2017, survey and design entities for construction projects shall undertake survey and design services within the scope permitted by their qualification grades. It is prohibited for such survey and design entities to undertake services beyond their permitted qualification scope or in the name of other qualified survey and design entities. It is prohibited for such entities to allow other entities or individuals to undertake survey and design services in their name.

Engineering Consulting

In accordance with the Measures for the Administration of the Engineering Consulting Industry (《工程諮詢行業管理辦法》) promulgated by the NDRC on 6 November 2017, implemented on 6 December 2017, and revised on 23 March 2023, engineering consulting entities shall be subject to notification-based filing administration. The evaluation of Class A credit rating engineering consulting entities shall be conducted by relevant industry organisations under the guidance of the NDRC. The evaluation of Class B credit rating engineering consulting entities shall be conducted by relevant industry organisations under the guidance of provincial-level development and reform commissions.

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LAWS AND REGULATIONS ON LAND, PLANNING AND CONSTRUCTION LICENCE

Land Use Rights

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was most recently amended by the NPCSC on 26 August 2019 and took effect on 1 January 2020, state-owned land may be allocated or granted to units for construction use in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), which was most recently amended by the State Council on 10 March 2024 and implemented on 1 May 2024, real estate registration shall be handled by the real estate registration agency of the people’s government at the county level in the place where the real estate is located.

Pursuant to the Urban Real Estate Management Law of the PRC (《中華人民共和國城市房地產管理法》), where land use rights are acquired through a grant for real estate development, the development must be carried out in accordance with the land use purpose and the stipulated development commencement deadline specified in the land use right grant contract. If development has not commenced one year after the date specified in the grant contract, an idle land fee of up to twenty percent of the land grant fee may be imposed. If, two years after the agreed date, development has still not commenced, the land use right may be recovered without compensation. However, these penalties shall not apply if the delay in commencement is due to force majeure, actions by the government or relevant government departments, or necessary preparatory work required for the development. The design and construction of real estate development projects must comply with relevant national standards and specifications. A real estate development project may only be delivered for use after it has passed the final completion acceptance inspection.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), the creation, alteration, transfer, and extinction of real property rights shall become effective upon completion of registration in accordance with the law. The real property ownership certificate serves as proof that the holder enjoys the respective real property rights. In accordance with the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), which was most recently revised by the Ministry of Natural Resources of the PRC and came into effect on 9 May 2024, the State implements a unified real estate registration system.

Construction Land Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was most recently amended by the NPCSC on 23 April 2019, and implemented thereon, an entity that acquires the right to use state-owned land through grant or allocation for utilisation shall obtain a construction land planning permit. If a construction unit obtains land use approval without having acquired a construction land planning permit, the relevant approval documents shall be nullified by the people’s government at or above the county level. If the land has been occupied, it shall be promptly returned. And if damage is caused to any party, compensation shall be paid in accordance with the law.

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Construction Project Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), within the planned areas of cities and towns, any construction unit or individual carrying out the construction of buildings, structures, roads, pipelines, or other engineering projects shall apply for a construction project planning permit from the competent urban and rural planning department of the city or county people’s government, or from the town people’s government designated by the people’s government of the province, autonomous region, or municipality directly under the Central Government. If construction is carried out without obtaining a construction project planning permit or not in accordance with the provisions of the permit, the competent urban and rural planning department of the local people’s government at or above the county level shall order the cessation of construction. If the impact on the implementation of the plan can be eliminated by taking corrective measures, a deadline for correction shall be set, and a fine of not less than 5% but not more than 10% of the construction project’s cost shall be imposed. If the impact cannot be eliminated by corrective measures, a deadline for demolition shall be set. If demolition is not possible, the physical structure or illegal income shall be confiscated, and a fine of up to 10% of the construction project’s cost may also be imposed.

Construction Permit for Construction Project

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》) and the Measures for Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 25 June 2014 and recently amended with immediate effect on 30 March 2021, prior to the commencement of construction, the construction unit shall, in accordance with the relevant national regulations, apply for a construction permit from the competent construction administration department of the people’s government at or above the county level where the project is located. However, this requirement does not apply to small-scale projects below the threshold specified by the competent construction administration department of the State Council, or to projects for which a construction commencement report has been approved in accordance with the limits of authority and procedures prescribed by the State Council. According to the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), which was most recently revised by the State Council on 23 April 2019, and implemented thereon, if a construction unit commences construction without obtaining a construction permit or without approval of the construction commencement report, it shall be ordered to stop construction and rectify the violation, and shall also be fined not less than 1% but not more than 2% of the contract value of the project.

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Check and Acceptance of Construction Project

Pursuant to the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), which was most recently revised by the State Council on 23 April 2019, and implemented thereon, and the Measures for the Administration of Completion Acceptance Filing of Building Construction 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》) implemented by the MOHURD on 19 October 2009, a construction project shall not be delivered for use without having passed the completion acceptance inspection. The construction unit shall, within 15 days from the date the project passes the completion acceptance inspection, complete the filing procedures with the competent construction administration department of the people’s government at or above the county level where the project is located. If the construction unit delivers the project for use illegally without having organised the completion acceptance inspection, or delivers the project for use illegally despite failing the acceptance inspection, it shall be ordered to rectify the violation and shall be fined not less than 2% but not more than 4% of the contract value of the project. If losses are caused, it shall be liable for compensation. If the construction unit fails to complete the filing procedures within 15 days from the date the project passes the completion acceptance inspection, the filing authority shall order it to rectify within a specified period and impose a fine of not less than RMB0.2 million but not more than RMB0.5 million.

Pursuant to the Regulations on the Administration of the Verification and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) promulgated by the State Council on 30 November 2016, and effective from 1 February 2017, projects that relate to national security, affect the nationwide layout of major productive forces, involve the development of strategic resources, or concern significant public interests, among others, are subject to approval management. The specific scope of such projects, as well as the verifying authorities and their respective limits of authority, shall be implemented in accordance with the government-approved investment project catalogue. Other projects are subject to filing management.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the “**Environmental Protection Law**”) was promulgated and effective on 26 December 1989, and amended on 24 April 2014, under which any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or close down, or even criminal punishment. Any person or entity that pollutes the environment resulting in damage could also be held liable under the Civil Code. In addition, environmental organisations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

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Environmental Impact Assessment

On 28 October 2002, the SCNPC promulgated the Environmental Impact Assessment Law of PRC (《中華人民共和國環境影響評價法》) (the “**Environmental Impact Assessment Law**”), which was latest amended on 29 December 2018. According to the Environmental Impact Assessment Law, the State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) effective on 20 November 2017 and the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was revised on 16 July 2017 and implemented on 1 October 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

Air Pollution

Pursuant to the Air Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), which was most recently revised on 26 October 2018, and implemented thereon, new construction projects, renovation projects, and expansion projects that emit air pollutants shall comply with the relevant provisions on environmental protection for construction projects. Enterprises, institutions, and other producers or operators that construct projects which have an impact on the atmospheric environment shall, in accordance with the law, conduct an environmental impact assessment and publicly disclose the environmental impact assessment documents. Those that discharge pollutants into the atmosphere shall comply with the air pollutant emission standards and adhere to the requirements for controlling the total emission volume of key air pollutants.

Solid Waste

Pursuant to the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), which was most recently revised by the NPCSC on 29 April 2020, and came into effect on 1 September 2020, construction projects that generate, store, utilise, or dispose of solid waste shall undergo an environmental impact assessment. The solid waste pollution prevention and control facilities must be designed, constructed, and put into operation simultaneously with the main body of the construction project. The construction unit shall, in accordance with the provisions of relevant laws and regulations, carry out the acceptance inspection of the solid waste pollution prevention and control facilities that are constructed as part of the project, prepare an acceptance report, and make it publicly available.

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Water Pollution

Pursuant to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), which was most recently revised by the NPCSC on 27 June 2017, and came into effect on 1 January 2018, construction projects and other water facilities that are newly built, reconstructed, or expanded, and which discharge pollutants directly or indirectly into water bodies, shall undergo an environmental impact assessment. Furthermore, the water pollution prevention and control facilities must be designed, constructed, and put into use simultaneously with the main body of the project. The water pollution prevention and control facilities must comply with the requirements set forth in the environmental impact documents approved or filed by the competent authorities.

Pursuant to the Law of the PRC on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》), which was promulgated by the NPCSC on 24 December 2021, and came into effect on 5 June 2022, construction projects that are newly built, reconstructed, or expanded and are likely to cause noise pollution shall undergo an environmental impact assessment in accordance with the law. The noise pollution prevention and control facilities for construction projects shall be designed, constructed, and put into use simultaneously with the main body of the project. Before a construction project is put into production or use, the construction unit shall, in accordance with the provisions of relevant laws and regulations, carry out the acceptance inspection of the supporting noise pollution prevention and control facilities, prepare an acceptance report, and make it publicly available. If the acceptance inspection has not been conducted or the project fails the inspection, the construction project shall not be put into production or use.

Permission for Pollutant Discharges

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on 24 January 2021, and effective on 1 March 2021, the Catalogue for the Classified Administration of Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on 20 December 2019, and effective on the same date, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC on 1 April 2024, came into effect on 1 July 2024, enterprises, institutions, and other producers and operators that are subject to pollutant discharge permit management as stipulated by law shall apply for and obtain a pollutant discharge permit in accordance with the provisions; those that have not obtained a pollutant discharge permit are not allowed to discharge pollutants. Pollutant discharging units with relatively large quantities of pollutant generation or discharge, or with a relatively significant impact on the environment, shall be subject to key management of pollutant discharge permits. Those with relatively small quantities of pollutant generation and discharge, and a relatively minor impact on the environment, shall be subject to simplified management of pollutant discharge permits. Those with very small quantities of pollutant generation and discharge, and a very minor impact on the environment, shall be subject to pollutant discharge registration management.

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Energy Saving

The Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) promulgated by the NPCSC on 1 November 1997 was most recently revised on 26 October 2018 and came into effect on the same date. The Law requires the establishment and strengthening of statistical, monitoring, and assessment systems for energy conservation, enhances supervision over key energy-consuming entities, and promotes energy conservation efforts in critical sectors such as industry, construction, transportation, and public institutions. It expressly provides that the State shall implement an energy conservation target responsibility system and an energy conservation evaluation mechanism, conduct energy conservation reviews and supervision for special equipment with high energy consumption, and establish an energy efficiency labelling management system. Emphasis is also placed on the obligation of key energy-consuming entities to establish energy management positions, appoint responsible energy management personnel, and submit energy usage reports.

Environmental Protection Tax Law

Pursuant to the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法》), which was most recently revised by the NPCSC on 28 October 2025 and came into effect on the same date, and the Implementing Regulations of the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法實施條例》), promulgated by the State Council on 25 December 2017 and effective as of 1 January 2018, (i) enterprises, public institutions, and other production and business operators that directly discharge taxable pollutants into the environment within the territory of PRC and other sea areas under PRC’s jurisdiction are taxpayers liable for environmental protection tax and are obligated to pay environmental protection tax in accordance with the aforesaid laws and regulations; (ii) the Regulations on the Administration of the Collection and Use of Pollution Discharge Fees (《排污費徵收使用管理條例》) have been repealed, and pollution discharge fees are no longer levied.

Regulations on Clean Production

Pursuant to the Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》), which was last amended by the NPCSC on 29 February 2012 and took effect on 1 July 2012, it is stipulated that environmental impact assessments shall be carried out for new construction, renovation, and expansion projects, with analysis and demonstration conducted regarding the use of raw materials, resource consumption, comprehensive resource utilisation, as well as the generation and disposal of pollutants. Priority shall be given to the adoption of cleaner production technologies, techniques, and equipment that feature high resource utilisation rates and low pollutant generation.

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FIRE CONTROL

Pursuant to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) (the “**Fire Prevention Law**”) promulgated by the SCNPC on 29 April 1998 and latest amended on 29 April 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 1 April 2020 and latest amended on 21 August 2023, special construction projects that fail to undergo or pass the fire protection acceptance check are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be suspended from use. Any special construction projects put into use without passing the fire protection acceptance check, or failure to suspend the use of any construction projects other than special construction projects which fail to pass the random inspection on fire safety acceptance, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB0.3 million. Any constructing entity fails to go through the fire safety acceptance filing for any construction projects other than special construction projects shall be ordered to make corrections and imposed a fine of not more than RMB5,000 by the competent housing and urban-rural development authorities.

Pursuant to the Fire Prevention Law, the constructing entity or the entity occupying the facility shall apply to the fire prevention and rescue department of the local people’s government at or above the county level for a fire safety inspection before a public gathering place is put into use or opens for business. Any public gathering place put into use or operated without passing the fire safety inspection or without satisfying the fire safety requirements, shall be ordered to discontinue the construction, use, production or operation and be fined not less than RMB30,000 but not more than RMB0.3 million.

ANTI-UNFAIR COMPETITION

On 2 September 1993, the SCNPC promulgated the PRC Anti-unfair Competition Law (《中華人民共和國反不正當競爭法》) (the “**Anti-unfair Law**”), which was last amended on 27 June 2025, and became effective on 15 October 2025. According to the Anti-unfair Law, a business shall, in its production and distribution activities, adhere to the free will, equality, fairness, and good faith principles, and abide by laws and business ethics and participate in market competition on a fair basis. A business shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honours received of its commodities, in order to defraud or mislead consumers or other business operators.

On 30 August 2007, the SCNPC promulgated the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), which was amended on 24 June 2022 and became effective on 1 August 2022. The PRC Anti-Monopoly Law is applicable to monopolistic behaviours which include business operators reaching a monopoly agreement, business operators abusing their dominant market position, and business operators’ concentration that has or may have the effect of eliminating or restricting competition. Pursuant to this Law, business operators may not use data and algorithms, technology, capital advantages or platform rules to engage in monopolistic practices prohibited by this Law.

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Pursuant to the Price Law of the PRC (《中華人民共和國價格法》) (the “**Price Law**”) promulgated by the SCNPC on 29 December 1997 and took effect from 1 May 1998, operators should observe the following principles when determining prices: fairness, lawfulness and good faith. The production and operation costs and the market supply and demand situation should be the fundamental basis for the operator to determine the price. When selling or purchasing goods and providing services, the operator shall clearly indicate the price and indicate the name, origin of production, specifications, grade, valuation unit and price of a commodity, or service item, charging standards and other related particulars in accordance with the requirements of the competent government price department. Operators shall not sell the goods at a price beyond the marked price or charge unspecified fees on the top of price indicated. In addition, operators may not take illegitimate pricing actions, such as colluding with others to manipulate market prices and damaging the legitimate rights and interests of other operators or consumers. Any operator engaged in the act of illegitimate pricing stipulated by the Price Law shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than five times of its illegal income; if the circumstances are serious, the business combination shall be ordered to suspend for rectification, or the administrative department for industry and commerce shall revoke the business licence. In addition, any operator who causes consumers or other operators to pay higher prices due to illegal pricing acts should refund the overpaid portion; if damage is caused, it shall be liable for compensation according to law. Any operator who violates the clearly marked price shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than RMB5,000.

LAWS AND REGULATIONS ON CYBERSECURITY AND DATA PROTECTION

Cybersecurity and Data Security

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) was promulgated on 7 November 2016 which took effect on 1 June 2017, most recently amended on 28 October 2025 and effective as of 1 January 2026. Pursuant to this law, no individual or organisation may steal or obtain personal information through other illegal means, or illegally sell or illegally provide personal information to others. Those who construct or operate networks or provide services through networks shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements under national standards, take technical and other necessary measures to ensure cybersecurity and stable operation, effectively respond to cybersecurity incidents, prevent cyber-related illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data.

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

REGULATORY OVERVIEW

Pursuant to the Regulations on Network Data Security Administration (《網絡數據安全管理條例》) promulgated by the State Council on 24 September 2024 and effective from 1 January 2025, network data processors engaged in network data processing activities that affect or may affect national security shall undergo a national security review in accordance with relevant national provisions. Network data processors handling the personal information of more than 10 million individuals shall also comply with the regulations imposed on network data processors processing important data.

Cybersecurity Review and Outbound Data Transfer Security Assessment

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

On 7 July 2022, the CAC (the Cyberspace Administration of China) promulgated the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on 1 September 2022. Pursuant to the measures, data processors providing data overseas shall apply for outbound data transfer security assessment with the CAC in any of the following circumstances: (i) where a data processor provides important data abroad; (ii) where a CIIO or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor has provided personal information of 0.1 million individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

During the track record period and up to the latest practicable date, we have not received any notification from the protection authority regarding our company being identified as a critical information infrastructure operator.

Regulations on Privacy Protection

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) was promulgated by the NPCSC on 20 August 2021, and became effective on 1 November 2021. In accordance with this Law, the processing of personal information shall have a definite and reasonable purpose, be directly related to the processing purpose, and be conducted in a manner that minimises the impact on individuals’ rights and interests. The collection of personal information shall be limited to the minimum scope necessary to achieve the purpose of processing, and excessive collection of personal information is prohibited. Personal information processors are responsible for the personal information they process and shall take necessary measures to safeguard the security of the processed personal

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information. No organisation or individual may illegally collect, use, process, transmit, sell, provide, or disclose the personal information of others, nor engage in personal information processing activities that endanger national security or public interests.

EMPLOYMENT, SOCIAL INSURANCE, AND HOUSING PROVIDENT FUND

Employment

According to the PRC Labour Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994, last amended and became effective on 29 December 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its employees, who are entitled to fair employment, choice of occupation, labour remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare, and certain other rights. An employer shall develop and improve its labour safety and sanitation system, stringently implement national protocols and standards on labour safety and sanitation, conduct labour safety and sanitation education for employers, guard against labour accidents and reduce occupational hazards.

On 29 June 2007, the SCNPC promulgated the PRC Labour Contract Law (《中華人民共和國勞動合同法》) (the “**Labour Contract Law**”), which was amended on 28 December 2012 with effect from 1 July 2013, and the State Council promulgated the Implementing Regulations of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) with immediate effect from 18 September 2008. The aim of the Labour Contract Law and its Implementing Regulation is primarily to regulate employee/ employer rights and obligations, including matters with respect to the establishment, performance, and termination of labour contracts. Pursuant to the Labour Contract Law and its Implementing Regulation, a written labour contract shall be executed by an employer and an employee when the employment relationship is established. Employers are forbidden to force or in a disguised manner force employees to work beyond the time limit, and employers shall pay employees for overtime work in line with related state rules and regulations. In addition, labour wages shall not be lower than local standards on minimum wages and shall be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

The PRC Social Insurance Law (《中華人民共和國社會保險法》), or the Social Insurance Law, issued by the SCNPC in 2010 and latest amended on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

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In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999, and amended on 24 March 2002, and 24 March 2019, enterprises must register at the designated administrative centres and open bank accounts for depositing employees’ housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management centre. Where employers fail to make payment within such period, enforcement by the people’s court will be applied.

REGULATIONS ON THE MANAGEMENT OF LEASE HOUSING

The Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and became effective on 1 February 2011, stipulates that within thirty days from execution of a property lease contract, the parties to the contract shall complete property leasing registration with the competent construction (real estate) department of the local government where the leased property is located. If an organisation fails to perform this obligation, the competent construction (real estate) departments shall urge the organisation to make corrections within a specified time limit, and shall impose a fine between RMB1,000 and RMB10,000 on the organisation if it fails to make corrections within the time limit.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), 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.

INTELLECTUAL PROPERTY

Trademark

Pursuant to the PRC Trademark Law (《中華人民共和國商標法》) (the “**Trademark Law**”), which was promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and became effective on 1 November 2019, and the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》), which was adopted by the State Council on 3 August 2002, last amended on 29 April 2014, and became effective on 1 May 2014, the trademark registrants shall be entitled to the right to the exclusive use of their registered trademarks and shall be protected by law. A registered trademark is valid for a term of ten years commencing on the date of registration approval, and the term is renewable. The trademark registrant may, by concluding a trademark licensing contract, authorise other persons to use its registered trademark.

REGULATORY OVERVIEW

Patents

According to the PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on 12 March 1984 and most recently amended on 17 October 2020 and became effective from 1 June 2021, and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》), promulgated by the State Council on 15 June 2001, last amended on 11 December 2023 and effective from 20 January 2024, invention patents are valid for twenty years, utility model patents are valid for ten years, and design patents are valid for fifteen years, in each case from the date of application.

Copyright

In accordance with the PRC Copyright Law (《中華人民共和國著作權法》), which was promulgated by the SCNPC on 7 September 1990, last amended on 11 November 2020, and became effective on 1 June 2021, works of PRC nationals, legal persons and other organisations, whether published or not, and works of non-PRC nationals or stateless persons which are first published in the territory of the PRC, shall enjoy copyright under this Law. Unless otherwise provided for by this Law, the copyright in a work shall be owned by its author. An author’s rights of authorship, modification and integrity in respect of his/her work shall continue in perpetuity.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology (“MIIT”) on 24 August 2017 and effective from 1 November 2017, the MIIT is the primary regulatory body for national domain name services. Domain name services adopt a “first-to-file” principle. Applicants for domain name registration shall provide the domain name registration agency with genuine, accurate, and complete identity information of the domain name holder for registration purposes. Upon completion of the domain name registration, the applicant becomes the holder of the domain name.

LAWS AND REGULATIONS ON TAXATION AND FOREIGN EXCHANGE

Please see “Appendix IV — Taxation and Foreign Exchange” in this document for further details.

SECURITIES LAW AND OVERSEAS [REDACTED] AND [REDACTED] OF SHARES

On 29 December 1998, the SCNPC promulgated the PRC Securities Law (《中華人民共和國證券法》), which was last amended on 28 December 2019 and took effect on 1 March 2020. The PRC Securities Law regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The PRC Securities Law states that domestic enterprises that seek to issue securities abroad directly or indirectly or to list their securities abroad for trading shall comply with the relevant provisions of the State Council.

REGULATORY OVERVIEW

Pursuant to the Trial Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on 17 February 2023 and effective as of 31 March 2023, direct or indirect issuance of securities overseas by a domestic company or listing of its securities overseas is subject to the regulations of the CSRC, and in the case of an initial public offering of shares or listing overseas, the issuer or the designated entity shall file with the CSRC within three business days after the application for the initial public offering is submitted.

On 24 February 2023, the CSRC and three other government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering 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》). Pursuant to these Provisions, if a domestic enterprise is to provide to the relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, or publicly disclose, any document or material that involves state secrets and working secrets of state agencies, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the PRC.