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## REGULATORY OVERVIEW

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### OVERVIEW

This section sets out a summary of certain aspects of the laws and regulations which are relevant to our Group's operations and business in Hong Kong and Macao. Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our Group.

### HONG KONG LAWS AND REGULATIONS

#### Laws and Regulations on Passenger Transportation Operations

##### *Road Traffic (Traffic Control) Regulations*

The Road Traffic (Traffic Control) Regulations (Chapter 374G of the Laws of Hong Kong) ("**RTTCR**"), which is under the Road Traffic Ordinance (Chapter 374 of the Laws of Hong Kong) ("**RTO**"), stipulates specific, approved routes and boundary crossings in Hong Kong. It also governs the quota and permit systems applicable to cross-boundary buses, including those operated by our Company.

In particular, cross-boundary vehicles must obtain a valid Closed Road Permit ("**CRP**") from the Transport Department ("**TD**"), which has a maximum validity period of 60 months. In this regard, applicants of cross-boundary schemes must submit to the TD, *inter alia*, original copies of Valid Electronic Approval Notice issued by the Guangdong Provincial Public Security, certified copies of company particulars, and copies of business registration certificates.

Under section 52(3) of the RTO, it is an offense for a cross-boundary vehicle to be driven or used for the carriage of passengers for hire or reward, unless it complies with the relevant conditions, including the obtaining of a license.

##### *Merchant Shipping (Local Vessels) Ordinance*

The Merchant Shipping (Local Vessels) Ordinance (Chapter 548 of the Laws of Hong Kong) ("**MSLVO**") formulates requirements for certification and licensing of local vessels, safety navigation and compulsory third party risks insurance. All local vessels must be certificated and licensed except laid-up vessel with a written permission. A licensed vessel may only carry any passenger when the conditions of its operating license permit the carriage of passengers. The number of passengers and crew carried in a licensed vessel must not exceed that lawfully permitted under the conditions of its operating license. The owner of the local vessel, his agent and the coxswain of the vessel who fails to certificate or and licensed the vessel is liable on conviction to a fine at HKD25,000 and to imprisonment for one year.

#### Laws and Regulations on Hotel Operations

##### *Hotel and Guesthouse Accommodation Ordinance*

The Hotel and Guesthouse Accommodation Ordinance (Chapter 349 of the Laws of Hong Kong) ("**HGAO**") establishes a licensing regime that regulates the operations of hotels and guesthouses in Hong Kong, ensuring their compliance with building and fire safety standards. Under this licensing system, hotel and guesthouse proprietors must, before commencing operations, obtain a license from the Hotel and Guesthouse Accommodation Authority, which is valid for 12 to 84 months and subject to renewal upon their expiration. Besides, they must submit their license renewal applications between three to six months before the expiry of their licenses. To ensure they satisfy the licensing requirements under

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Division 4 of HGAO, proprietors must, *inter alia*, ensure their hotels and guesthouses comply with the corresponding deeds of mutual covenant and the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong).

According to section 5 of the HGAO, a person operating a hotel or guesthouse without a license is liable on conviction upon indictment to a fine of HKD500,000 and to imprisonment for three years and, in the case of a continuing offense, to a further fine of HKD20,000 for every day during which the offense continues; and on summary conviction to a fine of HKD200,000 and to imprisonment for two years and, in the case of a continuing offense, to a further fine of HKD20,000 for every day during which the offense continues.

### ***Product Eco-responsibility Ordinance***

The Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong) (“**PERO**”) outlines measures that minimize the environmental impact of, *inter alia*, plastic products, and to provide for related matters. In particular, section 81 of the PERO requires licensees of licensed hotels and guesthouses to charge guests for their use of specified disposable plastic products provided on their premises, including but not limited to shower caps, combs, nail files, and plastic-bottled water. Licensees must also charge such guests at or before the end of the guests’ lodging period, as well as issue these guests a receipt showing the amount charged. They shall not provide these specified plastic products for free, nor can they offer any rebates or discounts.

A licensee that fails to perform the above actions commits an offense under section 82 of the PERO, and is liable upon conviction a fine at level 6 (currently at HKD100,000).

### ***Hotel Accommodation Tax Ordinance***

The Hotel Accommodation Tax Ordinance (Chapter 348 of the Laws of Hong Kong) (“**HATO**”) imposes a tax on hotel and guesthouse accommodation charges, with the current hotel accommodation tax (“**HAT**”) rate being 3% of the hotel/guesthouse room rate. The HAT was once levied at the rate of 0%, with effect from July 1, 2008, and has resumed at the current rate of 3%, with effect from January 1, 2025. Under the HATO, HAT is levied quarterly, and hotel and guesthouse proprietors must, within 14 days after each quarter-end, pay HAT to, and file an HAT return with, the Collector of Stamp Revenue. A hotel or guesthouse proprietor who fails to pay HAT to the Collector of Stamp Revenue in the manner described above is liable on summary conviction to a fine at level 4 (currently at HKD25,000).

### ***Food Business Regulation—General Restaurant License***

The Food Business Regulation (Chapter 132X of the Laws of Hong Kong) (“**FBR**”) is a subsidiary legislation of the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) (“**PHMSO**”).

Any person operating a restaurant in Hong Kong is required to obtain a general restaurant license from the Food and Environmental Hygiene Department (“**FEHD**”) under the PHMSO and the FBR before commencing the restaurant business. It is provided under section 31(1) of the FBR that no person shall carry on or cause, permit, or suffer to be carried on any restaurant business except with a general restaurant license granted under the FBR. FEHD will consider whether certain requirements in respect of health, hygiene, ventilation, gas safety, building structure and means of escape are met before issuing a license. The FEHD will also consult the Buildings Department and the Fire Services Department in assessing the suitability of premises for use as a restaurant, where the fulfillment of the Buildings Department’s structural standard and the fulfillment of the Fire Services Department’s fire safety requirement are considered. The FEHD may grant

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provisional restaurant licenses to new applicants who have fulfilled the basic requirements in accordance with the FBR, pending completion of all outstanding requirements for the issue of a full restaurant license.

A provisional restaurant license is valid for a period of six months or a lesser period, and a full general restaurant license is generally valid for a period of one year, both subject to payment of the prescribed license fees and continuous compliance with the requirements under the relevant legislation and regulations. A provisional restaurant license is renewable on one occasion, and a full restaurant license is renewable annually.

Under section 35 of the FBR, any person who is guilty of an offense for carrying on a restaurant business without a valid license shall be liable on summary conviction to a maximum fine at level 5 (currently at HKD50,000) and imprisonment for six months and, where the offense is a continuing offense, to an additional fine of HKD900 for each day during which it is proved to the satisfaction of the court that the offense has continued.

### *Dutiable Commodities (Liquor) Regulations*

The Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong) ("DCR"), a subsidiary legislation of the Dutiable Commodities Ordinance (Chapter 109 of the Laws of Hong Kong) ("DCO"), regulates the licensing, sale, and distribution of liquor in Hong Kong.

Under the DCO and the DCR, a person must obtain a liquor license from the Liquor Licensing Board (the "LLB") before commencing the sale of liquor for consumption on their premises. Section 17(3B) of the DCO states that, where regulations prohibit the sale or supply of any liquor except with a liquor license, no person shall sell, or advertise or expose for sale, or supply, or possess for sale or supply, liquor except with a liquor license. Regulation 25A of the DCR prohibits the sale of liquor at any premises for consumption on those premises or at a place of public entertainment or a public occasion for consumption at the place or occasion except with a liquor license.

The LLB will consider the fitness of the applicant to hold the license, the suitability of the premises to which the application relates in supplying intoxicating liquor, and the public interest before granting the liquor license. A liquor license will only be issued when the relevant premises have also been issued with a full or provisional restaurant license. A liquor license will only be valid if the relevant premises remain licensed as a restaurant. All applications for liquor licenses are referred to the Commissioner of Police and the District Office concerned for comments. A liquor license is granted only if the applicant can devote sufficient time and attention to the proper management of the liquor-licensed premises. Therefore, all licenses are granted to our employees at the relevant locations.

Under regulation 20 of the DCR, a liquor license is valid for a period of two years or a lesser period, subject to the continuous compliance with the requirements under the relevant legislation and regulations.

According to section 46 and Schedule 2 of the DCO, who contravenes section 17 of the DCO commits an offense and is liable upon conviction to a fine of HKD1,000,000 and to imprisonment for two years.

### *Water Pollution Control Ordinance and the Water Pollution Control (General) Regulations*

The Water Pollution Control (General) Regulations (Chapter 358D of the Laws of Hong Kong) ("WPCGR") is a subsidiary legislation under the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) ("WPCO"). The WPCGR establishes a mandatory

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licensing system for wastewater discharge, by industrial and commercial, and institutional organization in Hong Kong, into Water Control Zones ("WCZs"). The Environmental Protection Department ("EPD") is responsible for the issuance of these licenses.

Under sections 8(1) and (2) of the WPCO, a person who discharges (i) any waste or polluting matters into waters of Hong Kong in a WCZ or (ii) any matter into any inland waters in a WCZ which tends (either directly or in combination with other matter which has entered those waters) to impede the proper flow of the water in a manner leading or likely to lead to substantial aggravation of pollution, commits an offense; and where any such matter is discharged from any premises, the occupier of the premises also commits an offense. Under sections 9(1) and 9(2) of the WPCO, a person who discharges any matter into a communal sewer or communal drain into a water control zone commits an offense and where such matter is discharged into a communal sewer or communal drain in a WCZ from any premises, the occupier of the premises also commits an offense.

A water pollution control license is granted with terms and conditions specifying requirements relevant to the discharge, such as the discharge location, provision of wastewater treatment facilities, maximum allowable quantity, effluent standards, self-monitoring requirements, and keeping records.

A water pollution control license may be granted for a period of not less than two years and general five years, subject to the payment of the prescribed license fees and continuous compliance with the requirements under the relevant legislation and regulations. Besides, under Regulation 8(2) of the WPCGR, applications for license renewals shall be made no earlier than four months and not later than two months before the date of expiry of license.

Under section 11 of the WPCO, a person who commits an offense under section 8(1), 8(2), 9(1) or 9(2) is liable to imprisonment for six months and (i) for a first offense, a fine of HKD200,000; (ii) for a second or subsequent offense, a fine of HKD400,000, and in addition, if the offense is a continuing offense, to a fine of HKD10,000 for each day during which it is proved to the satisfaction of the court that the offense has continued.

### **Laws and Regulations on Labor and Social Security**

#### ***Employment Ordinance***

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("EO") regulates the general conditions of employment and matters connected therewith in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on deduction from wages and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment. It is noted that, from January 18, 2026 onwards, an employee is regarded as being employed under a continuous contract if he has been employed continuously by the same employer for four weeks or more, and has either worked for at least 17 hours weekly, or (if worked for less than 17 hours in any week) worked for the same employer for at least 68 hours in that week and the three weeks immediately preceding it.

#### ***Employees' Compensation Ordinance***

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("ECO") establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of

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employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HKD100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HKD100,000) and to imprisonment for one year.

### *Minimum Wage Ordinance*

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("MWO") provides for a prescribed minimum hourly wage rate (currently set at HKD42.1 per hour) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (except those circumstances specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

### *Mandatory Provident Fund Schemes Ordinance*

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPFSO") provides for, inter alia, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HKD7,100 and HKD30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment. An employer who contravenes these requirements commits an offense and is liable upon conviction to a fine and imprisonment.

### **Other Relevant Laws and Regulations**

#### *Business Registration Ordinance*

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every entity which carries on a business in Hong Kong to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commence of the business, and to display a valid business registration certificate at the place of business. A business registration does not serve to regulate business activities, and it is not a license to trade but serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificates will be issued on submission of the necessary document(s) together with payment of the relevant fees.

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A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for a business registration certificate shall be guilty of an offense and shall be liable to a fine at level 2 (currently at HKD5,000) and to imprisonment for one year.

### *Inland Revenue Ordinance*

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("**IRO**") imposes taxes on property, earnings and profits in Hong Kong. The IRO provides, *inter alia*, that persons (which in addition to individuals include corporations, partnerships, trustees and bodies of persons) carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. Under the IRO, an employer who employs someone who is or is likely to be charged with salaries tax or any married person shall give notice in writing to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment, stating his/her full name and address, date of commencement and terms of employment. Further, where the employment ceases, the employer shall give notice thereof in writing to the commissioner not later than one month before the employee ceases to be employed in Hong Kong, stating the name and address and the expected date of cessation.

### *Personal Data (Privacy) Ordinance*

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) applies to a data user, being any person or entity who, either alone or jointly or in common with other persons, controls the collection, handling, and use of personal data. It prescribes six Data Protection Principles ("**DPPs**") (as well as corresponding compliance measures) that data users must comply with, namely: (i) DPP1—purpose and manner of collection of personal data; (ii) DPP2—accuracy and duration of retention of personal data; (iii) DPP3—use of personal data; (iv) DPP4—security of personal data; (v) DPP5—openness and transparency of personal data; and (vi) DPP6—access to and correction of personal data. In this regard, data users must report data breaches to the Office of the Privacy Commissioner for Personal Data (the "**Privacy Commissioner**") and affected data subjects.

Non-compliance with the DPPs and the PDPO may result in a complaint being lodged with the Privacy Commissioner, who may serve a written enforcement notice that directs a data user to take steps to remedy the breach. Contravention with the above notice is an offense and the offender is liable on (i) first conviction to a fine HKD50,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HKD1,000; and (ii) second or subsequent conviction to a fine at HKD100,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HKD2,000.

The PDPO further criminalizes, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user's consent. Also, an individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

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### MACAO LAWS AND REGULATIONS

#### Laws and Regulations on Cross-Border Passenger Transportation Operations

##### *Regulations on Cross-Border Land Passenger Transportation*

Under Administrative Regulation No. 4/2004, as amended by Administrative Regulation No. 32/2017 (“**RA4/2004**”), the provision of cross-border land passenger transport services between Macao and other regions of the PRC requires prior permission from the relevant Macao and PRC authorities and must comply with the operating conditions agreed upon between Macao and other regions of the PRC based on the safety and management needs of cross-border land passenger transport. Only entities granted a cross-border land passenger transport business license by the Macao Transport Bureau may engage in cross-border land passenger transport business in Macao. The license is valid for three years from the date of issuance and may be renewed for the same period. Under section 23 of RA4/2004, entities that operate cross-border land passenger transport services without a license is liable upon conviction to a fine between MOP10,000.00 and MOP50,000.00 for natural persons and between MOP30,000.00 and MOP150,000.00 for legal persons.

##### *Regulations on Maritime Passenger Transportation*

Under Administrative Regulation No. 34/2009, as amended by Administrative Regulation No. 16/2021 (“**RA34/2009**”), maritime passenger transport services with Macao as the departure point, transit point, or destination may only be operated by entities that have been granted the relevant license in advance by the Macao Marine and Water Bureau. The license is valid for ten years from the date of issuance and may be renewed for the same period. Under section 23.1(1) of RA34/2009, entities that operate maritime passenger transport services without a license is liable upon conviction to a fine between MOP200,000.00 and MOP500,000.00.

Law No. 3/90/M (“**L3/90**”) establishes the general principles to be followed in awarding public works and public services by the Macao government to concessionaires. The concession for public works and public services is awarded for fixed term, which may be extended by agreement between the Macao government and the concessionaire before its expiration. The Macao government may grant concessionaires the powers, rights and privileges that it deems essential to the execution of public works or the operation of public services, in particular the use of public infrastructure free of charge.

Under section 2.1(3) of Law No. 13/2019 (“**L13/2019**”), “critical infrastructure” refers to assets, information networks, and computer systems that are essential to the normal functioning of society and whose disruption, damage, data leakage, cessation of operation or significant reduction in effectiveness could seriously endanger social welfare, public safety, public order or other particularly important public interests. Private operators of critical infrastructure are required to fulfill the following obligations as stipulated in sections 10 to 13 of L13/2019: (i) organic obligations; (ii) procedural, preventive and reactive obligations; (iii) self-assessment and reporting obligations; and (iv) collaboration obligation. Under section 15 of L13/2019, a fine of MOP50,000.00 to MOP5,000,000.00 upon conviction shall be imposed for any breach of the obligations above-mentioned.

#### Laws and Regulations on Hotel Operations

##### *Hotel Premises, Restaurants, Casual dining establishments, Food Court Stalls, Bars and Dance Halls*

The Hotel Premises Business Law (Law No. 8/2021) (“**L8/2021**”) governs *inter alia* the licensing and operation of hotel premises, as well as restaurants, casual dining establishments, food court stalls, bars and dance halls located within urban real estate

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designated for hotel use. Under section 55 of L8/2021, hotel premises, as well as restaurants, casual dining establishments, food court stalls, bars and dance halls located within urban real estate designated for hotel use, may open to the public only after obtaining respective licenses from the Macao Government Tourism Office. The said licenses are valid from the date of their issuance until December 31 of the following year, and may be renewed annually thereafter. For restaurants, casual dining establishments, food stalls, bars or dance halls located within hotel premises, before obtaining respective licenses, temporary operating permits for a period of six months may be applied to the Macao Government Tourism Office.

Under section 103 of L8/2021, anyone who, having submitted a licensing application to the Macao Government Tourism Office but whose license or temporary operating permit has not yet been issued, opens a hotel premises, restaurant, casual dining establishment, food stall, bar or dance hall to the public in urban real estate designated for hotel use, upon conviction shall be subject to the following fines: (i) hotel premises—MOP150,000.00 to MOP200,000.00; (ii) restaurant, casual dining establishment, food stall, bar or dance hall—MOP50,000.00 to MOP150,000.00. If no licensing application has been submitted to the Macao Government Tourism Office before opening to the public, the fines above-mentioned shall be doubled.

Under section 73 of L8/2021, minors under the age of 18 are prohibited from entering or staying in bars and dance halls, except for establishments that hold both restaurant and bar licenses but only operate as restaurants during business hours. A fine of MOP50,000.00 to MOP70,000.00 shall upon conviction be imposed for violation of section 73 of L8/2021.

Under section 80.1 of L8/2021, at all times, good hygiene, food safety, and fire safety conditions must be maintained. Concerning hygiene, food and fire safety, section 80.2 of L8/2021 stipulates certain prohibited situations. A fine of MOP10,000.00 to MOP70,000.00 shall upon conviction be imposed for violation of section 80 of L8/2021.

Under section 23.2(1) of Law No. 5/2025, when providing services related to hotel accommodation, pick-up and drop-off services may be offered to customers.

### ***Restriction on the Provision of Plastic Bags***

Law No. 16/2019 (“**L16/2019**”) sets forth restriction on the provision of plastic bags in retail transactions. Under section 3 of L16/2019 and Chief Executive Order No. 143/2019, in retail transactions, a fee of MOP1.00 shall be charged for each plastic bag provided. Under section 4 of L16/2019, plastic bags for holding the following goods may be provided free of charge: (i) unpackaged food or medicine; (ii) goods obtained in the passenger boarding or disembarking areas of the airport, or in retail establishments in corridors leading to those areas, and subject to carry-on baggage security restrictions. The Environmental Protection Bureau is the governmental authority in Macao responsible for supervising the implementation of L16/2019, which is also empowered to impose upon conviction, for violating section 3 of L16/2019, a fine of MOP1,000.00 for each plastic bag.

### ***Tourism Tax Regulation***

Law No. 19/96/M, as amended by Law No. 24/2024 and Law No. 11/2022 (“**L19/96/M**”) imposes a tourism tax of 5% on the price of goods and services directly or indirectly provided by establishments regulated by L8/2021. Under section 4 of L19/96/M, goods and services provided by the following establishments are exempt from tourism tax: (i) two-star hotels; (ii) low-cost accommodations; (iii) casual dining establishments; (iv) food court stalls; (v) beverage establishments; and (vi) food establishments. The tourism tax must be paid to the Macao Finance Services Bureau by the last day of the month following the

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month to which it relates. Late payment of tourism tax to the Macao Finance Services Bureau shall be imposed a fine ranging from MOP1,000.00 to four times the amount of tourism tax owed.

### *Water Pollution Regulation*

Under Decree Law No. 35/97/M (“**DL35/97**”), in respect of discharge of pollutants in Macao water zone, it is prohibited to discharge any pollutants that will endanger the quality of water, beaches, coast, etc. The Macao Marine and Water Bureau is the governmental authority in Macao responsible for supervising the implementation of DL35/97, which is also empowered to impose upon conviction fines of MOP1,000.00 to MOP200,000.00.

## **Laws and Regulations on Labor and Social Security**

### *Employment Regulation*

All employers in Macao must apply to the Macao Labor Affairs Bureau for labor quotas to import non-resident employees from China and other countries under Law No. 21/2009, as amended by Law No. 10/2020, Law No. 4/2013 and Law No. 4/2010 (“**L21/2009**”). Employers are free to employ Macao residents in any position without any type of quota, as by definition all Macao residents have the right to work in Macao under Law No. 7/2008, as amended by Law No. 23/2024, Law No. 8/2020, Law No. 10/2015 and Law No. 2/2015 (“**L7/2008**”). Under L7/2008 and L21/2009, generally speaking, upon conviction, a fine of MOP500.00 to MOP50,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, however, in certain circumstances, such fine can be converted into imprisonment.

### *Minimum Wage Regulation*

Under Law No. 5/2020, as amended by Law No. 14/2025 and Law No. 19/2023 (“**L5/2020**”), the minimum wage for employees is: (i) MOP7,280.00 per month, for wages calculated monthly; (ii) MOP1,680.00 per week, for wages calculated weekly; (iii) MOP280.00 per day, for wages calculated daily; (iv) MOP35.00 per hour, for wages calculated hourly; (v) an average of MOP35.00 per hour, obtained by dividing the basic wage for the month in question by the number of hours actually worked in that month. Under section 5.2 of L5/2020, if the wage paid does not conform to the minimum wage above-mentioned, the employer must pay the employee the difference between the wage for the month in which it was calculated and the legally stipulated minimum wage. Under section 5.3 of L5/2020, if the wage stipulated in a contract is lower than that stipulated by L5/2020, the relevant contract clause shall be deemed non-existent and replaced by the relevant provisions of L5/2020. Under L5/2020, generally speaking, upon conviction a fine of MOP20,000.00 to MOP50,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, however, in certain circumstances, such fine can be converted into imprisonment.

### *Mandatory Provident Fund Schemes*

Under Law No. 4/2010, as amended by Law No. 6/2018 and Law No. 3/2026 (“**L4/2010**”), and Chief Executive Order No. 357/2016, employers must register their Macao resident employees under the mandatory Social Security Fund and make social security contributions of MOP90.00 per month for each of their Macao resident employees. Contributions are paid in the months of January, April, July and October, with contributions relating to the previous quarter due. Under L4/2010, upon conviction a fine of MOP200.00 to MOP1,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, and, in certain circumstances, the employer is liable to imprisonment.

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Under Law No. L21/2009 and Chief Executive Order No. 89/2010, employers are required to pay employment fees of MOP200.00 per month for each of their non-resident employees. Under Administrative Regulation No. 8/2010, employment fees are paid in the months of January, April, July and October, with employment fees relating to the previous quarter due, an employer that fails to perform the above actions commits an offense and is liable upon conviction to a fine of MOP300.00 to MOP1,000.00 for each employee in relation to whom the infraction is verified.

### **Other Relevant Laws and Regulations**

#### ***Commercial Registration Regulation***

Under the Macao Commercial Code, commercial companies gain legal personality with the registration of their act of incorporation before the Macao Commercial and Movable Property Registry. Under the Macao Commercial Registration Code, once registration is finalized, it is presumed that the registered legal status exists entirely in accordance with the provisions made therein in the registration.

#### ***Complementary Tax Regulation***

The Macao Complementary Tax Regulation generally imposes a complementary income tax at a progressive rate not exceeding 12% on taxable profits in excess of MOP32,000.00 realized from conducting business in Macao. Under section 23 of Law No. 22/2023, section 23 of Law No. 25/2024 and 22 of Law No. 13/2025, the exemption limit for taxable profits under the Macao Complementary Tax Regulation, respectively, in 2023, 2024 and 2025, is increased from MOP32,000.00 to MOP600,000.00 and, for taxable profits in excess of MOP600,000.00, a rate of 12% shall apply. Under Macao Complementary Tax Regulation, upon conviction a fine of MOP100.00 to MOP200,000.00 shall be imposed.

#### ***Personal Data Protection Regulation***

Law No. 8/2005 (Personal Data Protection Law) ("**L8/2005**") applies to a data controller, being any natural or legal person, public entity, agency or any other body which alone or jointly with others determines the purposes and means of the processing of personal data. Under section 21.1 of L8/2005, the data controller must notify the Macao Personal Data Protection Bureau in writing within eight days after the initiation of processing of personal data. Under section 20.1 of L8/2005, a transfer of personal data to a destination outside Macao may generally take place, provided that the data subject has given his/her consent unambiguously to the proposed transfer. Sections 10 to 14 of L8/2005 grant the data subject the rights to information, access, object, not to subject to automated individual decisions and compensation. Under L8/2005, upon conviction a fine of MOP2,000.00 to MOP100,000.00 shall be imposed, and, in certain circumstances, the offender is liable to imprisonment.

### **PRC LAWS AND REGULATIONS**

#### **Regulations on Hotel Operations**

The Measures for the Control of Security in the Hotel Industry was revised by the Ministry of Public Security on March 29, 2022 and implemented from May 1, 2022; and the Decision of the State Council on the Establishment of Administrative Licenses for Administrative Approval Items Necessitating Retention was revised by the State Council on August 25, 2016 and implemented from the same day. Pursuant to these regulations, any applicant intending to open a hotel shall obtain a business license issued by the market supervision authorities. Also, as hotels are classified as a special industry under the laws, they may only commence operations after obtaining a permit for special industries issued by the public security authorities.

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Pursuant to the Regulations on the Administration of Hygiene in Public Places, issued by the State Council in April 1987, amended on December 6, 2024 and implemented from January 20, 2025, the state implements the system of "Hygiene Permit" for public places. Hotels shall obtain a hygiene permit for public places prior to opening; those operating without a permit shall be subject to warnings, fines or suspension of business for rectification, depending on the severity of the offense. Pursuant to regulations such as the Implementing Rules for the Regulations on the Administration of Hygiene in Public Places, promulgated by the relevant departments of the National Health Commission in March 2011, amended on December 26, 2017 and implemented from the same day, hotels shall obtain a hygiene permit for public places issued by the health authorities, establish and improve the administration system of hygiene, and retain records such as disinfection logs, health certificates of staff and others to ensure that air quality, water quality and hygiene of public amenities and utensils comply with national health standards.

Pursuant to the Food Safety Law of the People's Republic of China, amended by the SCNPC on September 12, 2025 and implemented from December 1, 2025, and the Measures for the Administration of Food Business Licensing and Filing, promulgated by the State Administration for Market Regulation on June 15, 2023 and implemented from December 1, 2023, hotels providing food sales or catering services shall obtain a food business license issued by the department on market supervision and administration, with the State Administration for Market Regulation responsible for guiding the administration of food business licensing and filing nationwide. Hotels engaged in food business activities without a food business license shall have their illegal gains, as well as the food, utensils, equipment, raw materials and other items used in the illegal operations, confiscated by the food safety supervision and administration department of the people's government at or above the county level; where the value of the food involved in the illegal operations is less than RMB10,000, a fine of not less than RMB50,000 but not more than RMB100,000 shall be imposed; where the value of goods involved is RMB10,000 or more, a fine of not less than ten times but not more than twenty times the value of the goods shall be imposed.

Pursuant to the Fire Prevention Law of the People's Republic of China, as amended by the SCNPC on April 29, 2021 and implemented from the same day, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects, promulgated by the Ministry of Housing and Urban-Rural Development on August 21, 2023 and implemented from October 30, 2023, hotels with a total floor area exceeding 10,000 square meters are classified as special construction projects and shall undergo review on fire prevention design and fire safety acceptance upon completion; prior to commissioning, they shall pass a fire safety inspection, and during operation, regular fire drills and fire safety inspections shall be conducted to ensure that fire safety facilities are in good working order. The Regulations on Fire Safety Supervision and Inspection, promulgated by the Ministry of Public Security on July 17, 2012 and implemented from November 1, 2012, stipulate that for public assembly venues such as hotels, prior to commissioning and commencing operations, the construction entity or the entity using such venue shall apply for a fire safety check with the relevant fire prevention department under the public security authority of the people's government at or above the county level where the venue is located.

### **Regulations on Internet Security and Privacy Protection**

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (the "**Data Security Law**"), which was implemented from September 1, 2021. The Data Security Law primarily sets out specific provisions regarding the establishment of a basic system on data security administration, including an administration system on data classification and grading, a system on risk assessment, a mechanism on monitoring and early warning, and a mechanism on emergency response. Furthermore, it clarifies the obligations on data security protection of organizations and individuals engaged in data activities and responsible for implementing data security protection.

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On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (the "**Personal Information Protection Law**"), which was implemented from November 1, 2021. The Personal Information Protection Law clarifies that personal information means any information recorded by electronic or other means relating to an identified or identifiable natural person, excluding information that has been anonymized. The processing of personal information should have clear and reasonable purposes, be directly related to such purposes, and adopt methods that minimize the impact on the individual's rights and interests. Processing parties of personal information may only process such information in circumstances such as where the individual's consent has been obtained, where it is necessary for the performance of a contract, or where the practice is for emergency avoidance.

On October 28, 2025, the SCNPC promulgated the Cybersecurity Law of the People's Republic of China (the "**Cybersecurity Law**"), which was implemented from January 1, 2026. The Cybersecurity Law stipulates that network operators, in carrying out their business and service activities, shall comply with the laws and administrative regulations, respect public morals, observe business ethics, act in good faith, fulfill their obligations on cybersecurity protection, be subject to supervision by the government and society, and assume social responsibilities. Personal information and important data within the territory of operators of key information infrastructure shall be stored within the territory. Where it is indeed necessary to provide such information to entities outside the territory due to business needs, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace administration in conjunction with relevant departments of the State Council.

### **Regulation on Road Transportation**

Pursuant to the Regulation of the People's Republic of China on Road Transport, issued by the State Council on January 30, 2026 and implemented from March 20, 2026, enterprises engaged in passenger transportation operations shall apply for a permit for road transportation operations from the department on market supervision and administration in accordance with the laws. Any party that engages in road passenger transportation operations without obtaining a permit for road transportation operations, and whose illegal gains exceed RMB20,000, shall have such gains confiscated and be imposed a fine of not less than two times and not more than ten times the amount of illegal gains; where there are no illegal gains or the illegal gains are less than RMB20,000, a fine of not less than RMB10,000 and not more than RMB100,000 shall be imposed.

In accordance with the Measures for the Administration of Road Transportation Directly to Hong Kong and Macao from Guangdong Province, issued by the People's Government of Guangdong Province on December 24, 2021 and implemented from April 1, 2022, and the Implementing Rules for the Measures for the Administration of Road Transportation Directly to Hong Kong and Macao from Guangdong Province, issued by the Department of Transportation of Guangdong Province on August 20, 2025 and implemented from September 20, 2025, enterprises engaged in cross-border transportation shall obtain the right to use quotas on commercial vehicles for direct transport to Hong Kong and Macao. Enterprises that have obtained vehicle quotas shall apply to the provincial transport authorities for a permit for cross-border transportation operations in accordance with the relevant requirements of the Regulations on the Administration of Road Passenger Transportation and Passenger Stations, the Regulations on the Administration of Road Freight Transportation and Terminals, and the Regulations on the Administration of Road Transportation of Dangerous Goods, and shall provide the relevant materials. The provincial competent authority on transport and transportation shall issue an administrative licensing decision to approve applications for cross-border transport operations that meet the statutory conditions, issue the corresponding Letter of Administrative Licensing Decision, which clarifies the operating entity, scope of operations (cross-border passenger transportation, cross-border transportation of general freight, cross-border transportation of dangerous

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goods) and other licensed matters, and issue the Operating Permit for Road Transportation to the licensee in accordance with regulations. Enterprises that have obtained an operating permit for cross-border transportation shall submit relevant materials regarding vehicles and drivers for cross-border transportation to the provincial public security authorities to apply for the Mainland Approval Notice. In particular, vehicles for cross-border transportation registered in Hong Kong or Macao shall also apply for the mainland vehicle license plates and the Vehicle Licenses. Once the provincial public security authorities have completed the registration of vehicles for cross-border transportation and the filing of drivers, the enterprise engaged in cross-border transportation shall apply to the provincial competent authorities on transportation for the issuance of Road Transport Permit to vehicles for cross-border passenger transportation, and apply to the competent authorities on transportation at or above the county level for the issuance of Road Transport Permit to vehicles for cross-border freight transportation. It is also stipulated that when vehicles and drivers for cross-border transportation enter or exit the border, they shall make respective declarations in accordance with the laws and be subject to supervision by port inspection departments such as customs and border inspection. Where existing cross-border transportation enterprises operating on a cooperative basis intend to retain their original organizational form (cooperative operation), their relationship with the Hong Kong or Macao-registered enterprises to which their cross-border vehicles belong may remain unchanged, and applications for the renewal of existing operating permits for cross-border transportation vehicles may be submitted upon expiry.

Pursuant to the Exit and Entry Administration Law of the People's Republic of China, promulgated by the SCNPC on June 30, 2012 and implemented from July 1, 2013, vehicles leaving or entering the border shall undergo border inspection upon departure from or arrival at a port of entry. The persons responsible for the vehicles and the agencies dealing with entry and exit formalities shall cooperate with border inspection authorities. Where any violation of this Law is found, they shall immediately report such case and assist in the investigation and handling of the matters.