
REGULATORY OVERVIEW

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, last amended on December 29, 2018 and effective on the same day, the market regulatory authorities of the State Council are responsible for the supervision and administration of the quality of products for the whole country. Producers and sellers shall be prohibited from producing or selling industrial products that do not meet the requirements and demands for physical health and safety and property. Producers shall be responsible for the quality of the products they produce and products shall not pose unreasonable danger to personal safety or property. Products shall have functional performance and the product standards adopted shall be indicated on the products themselves or their packaging. If a defect in the product causes damage to the person or property of others, the victim may claim compensation from the producer of the product or from the seller of the product. Producers or sellers who produce or sell substandard products will be ordered to cease production and sales, the illegally produced or sold products will be confiscated and a fine will be imposed. If there is any illegal income, such illegal income will also be confiscated. If the circumstances are serious, the business license shall be revoked. If a crime is constituted, criminal responsibility shall be investigated in accordance with the PRC laws.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the Second Session of the 13th NPC of the PRC passed and promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which came into effect on January 1, 2020. The Foreign Investment Law further expands the opening up, promotes foreign investment and protects the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investment refers to investment activities carried out, directly or indirectly, by foreign natural persons, enterprises or other organizations (the “**Foreign Investors**”) in the PRC, including the following: (i) Foreign Investors establishing foreign-invested enterprises in the PRC alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in the PRC alone or collectively with other investors; and (iv) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. Foreign-invested enterprise refers to the enterprise that is wholly or partially invested by Foreign Investors and registered in the PRC under the PRC laws. According to the Foreign Investment Law, Foreign Investors are barred from investing in prohibited industries on the negative list and must comply with the specified requirements when investing in restricted industries on that list.

According to the Special Administrative Measures for the Market Entry of Foreign Investment (2024 Version) (外商投資准入特別管理措施(負面清單)(2024年版)), which was promulgated on September 6, 2024 and became effective on November 1, 2024, while foreign investments must satisfy certain conditions stipulated in the negative list for investment in restricted industries. Industries not listed on the negative list are generally deemed “permitted” for foreign investments.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated by the Ministry of Commerce of the PRC and the State Administration for Market Regulation of the PRC on December 30, 2019 and came into effect on January 1, 2020, in relation to foreign investors carrying out investment activities, directly or indirectly, in the PRC, foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities in accordance with these measures.

REGULATORY OVERVIEW

REGULATIONS ON OVERSEAS INVESTMENT

According to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on March 16, 2009 and amended on September 6, 2014, the MOFCOM and the commerce departments at provincial levels shall conduct filing or confirmation management, depending on different circumstances, of overseas investments of enterprises. Overseas investments involving any sensitive country or region, or any sensitive industry, shall be subject to confirmation management. Overseas investments under other circumstances shall be subject to filing management.

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the PRC (the “Investor”) carrying out overseas investments shall undergo formalities, including the examination or filing for an overseas investment project (the “project(s)”), report the relevant information and cooperate in relation to supervisory inspection. Sensitive projects conducted by Investors directly or through overseas enterprises controlled by them shall be subject to confirmation management. Non-sensitive projects conducted by Investors directly, namely, non-sensitive projects involving Investors’ direct contribution of assets, equity or provision of financing or guarantees, shall be subject to filing management. The aforementioned sensitive projects include projects involving a sensitive country or region or a sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) promulgated by the NDRC became effective on March 1, 2018, which listed out the sensitive industries in detail.

REGULATIONS ON THE APPROVAL AND FILING MANAGEMENT OF ENTERPRISE INVESTMENT PROJECTS

The Regulations on the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) were promulgated on November 30, 2016 and implemented from February 1, 2017. The Measures for the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) were issued on March 8, 2017, implemented on April 8, 2017 and amended by the Decision of the National Development and Reform Commission on Revision of Regulations and Administrative Normative Documents on Investment Management (《國家發展改革委關於修訂投資管理有關規章和行政規範性文件的決定》) issued on March 23, 2023 and implemented on May 1, 2023. According to these regulations and measures, projects related to national security, significant national productivity layouts, strategic resource development and major public interest are subject to approval management. The determination of specific projects and approval authority is governed by the investment project catalog approved by the government. This catalog is proposed by the investment authority under the State Council in conjunction with relevant departments of the State Council, implemented following the State Council’s approval and adjusted periodically. Except for special provisions, other projects are subject to filing management, typically following the principle of territoriality, with local governments stipulating the filing authorities and their powers.

Project approval and filing are primarily conducted through the national online project monitoring platform (the “Online Platform”), which is jointly used by approval authorities, filing authorities and other relevant departments. Should there be significant changes to a project after filing or if the project is terminated, the project entity shall promptly notify the filing authority through the Online Platform and update the relevant information. Projects under filing management shall also complete other procedures stipulated by laws and regulations before commencing work.

REGULATORY OVERVIEW

REGULATIONS ON ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated and effective on December 26, 1989 and amended on April 24, 2014, the competent environmental protection department under the State Council is responsible for the unified supervision and management of national environmental protection and the formulation of national environmental quality and pollutant emission standards. Local environmental protection departments are responsible for environmental protection in their respective administrative areas.

According to the Law on Environmental Impact Assessment of the PRC (《中華人民共和國環境影響評價法》), which was promulgated on October 28, 2002 and subsequently amended on July 2, 2016 and December 29, 2018, if the environmental impact assessment document of a construction project has not been submitted for review in accordance with the law or approved upon review by the approval authority, the approving department of the project shall not approve the construction and the construction entity shall not commence construction of the project. The construction entity shall prepare an environmental impact report, an environmental impact statement or fill in an environmental impact registration form according to the severity of the environmental impact of the relevant construction project.

According to the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was promulgated and came into effect on November 29, 1998 and revised on July 16, 2017, the supporting environmental protection facilities shall be designed, constructed and put into use in the main project at the same time. Upon completion of the construction projects in the prepared environmental impact report and environmental impact report form, the construction unit shall inspect and accept the supporting environmental protection facilities and prepare an acceptance report in accordance with the standards and procedures stipulated by the competent department of environmental protection administration under the State Council. For construction projects in the prepared environmental impact report environmental impact report form, the supporting environmental protection facilities shall pass acceptance before the project can be put into production or use. Those supporting environmental protection facilities that have not undergone acceptance or have failed acceptance shall not be put into production or use.

According to the Regulations on the Management of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented on March 1, 2021, as well as the Measures for the Management of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on January 10, 2018, and last amended and implemented on July 1, 2024, based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of environmental impact, the management of pollutant-discharging units is divided into key management and simplified management. The review, decision-making and information disclosure of pollutant discharge permits shall be handled through the national pollutant discharge permit management information platform. The validity period of a pollutant discharge permit is five years. If a pollutant-discharging unit needs to continue discharging pollutants, it shall apply for renewal 60 days before the expiration of the validity period. In the case of violations of the regulations regarding pollutant discharge permits, the ecological environment competent authority has the power to order rectification, restrict production, suspend production for rectification, order business suspension or closure and impose fines. Where the violations constitute a crime, criminal liability shall be investigated in accordance with the law. Enterprises, institutions and other producers and business operators that are subject to pollutant discharge permit management in accordance with the law shall apply for and obtain a pollutant discharge permit in accordance with the law and discharge pollutants in accordance with the provisions of the pollutant discharge permit. Those that have not obtained a pollutant discharge permit shall not discharge pollutants.

REGULATORY OVERVIEW

REGULATIONS ON PRODUCTION SAFETY

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) last amended by the SCNPC on June 10, 2021 and which came into effect on September 1, 2021, an enterprise shall (i) provide production safety conditions as stipulated in the Production Safety Law of the PRC and other relevant laws, administrative regulations, national and industry standards, (ii) establish a comprehensive production safety accountability system and production safety rules and (iii) develop production safety standards to ensure production safety. Any entity that fails to provide the required production safety conditions is prohibited from engaging in production activities.

According to the Measures for the Supervision and Administration of “Three Simultaneities” for the Safety Facilities of Construction Projects (《建設項目安全設施“三同時”監督管理辦法》) promulgated by the former State Administration of Work Safety (currently known as the Ministry of Emergency Management) on December 14, 2010 and amended on April 2, 2015, the safety facilities in a newly built, reconstructed or expanded construction project must be designed, constructed and put into use simultaneously with the main body of the project. The enterprises shall demonstrate and pre-assess the safety conditions of their its construction projects, prepare a dedicated safety design report, submit it to the relevant work safety administrative department for examination or filing, complete acceptance of safety facilities and prepare reports for inspection according to requirements. If an enterprise violates the relevant requirements, it may be ordered to make corrections within a specified time limit, discontinue the construction process or suspend its production and business operation for rectification, and incur a fine.

REGULATIONS ON FIRE SAFETY

According to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and last amended and implemented on April 29, 2021, for special construction projects stipulated by the Ministry of Housing and Urban-Rural Development under the State Council, construction units shall submit the fire control design documents to the Ministry of Housing and Urban-Rural Development for examination, while for construction projects, other than those stipulated as special construction projects, construction units shall, at the time of applying for the Construction Work Commencement Permit or approval for work commencement report, provide the fire control design drawings and technical materials which satisfy the construction needs. The fire control design or construction of a construction project must conform to the national fire safety technical standards of project construction. Construction projects that are required by law to undergo fire control design examination shall not be constructed without legal examination or if the examination fails. Construction projects that are subject to fire safety inspection and acceptance in accordance with the laws shall not be put into use if they have not been accepted or are unqualified in fire safety inspection and acceptance; other construction projects that fail to pass the spot checks according to law shall be prevented from being put into use. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and amended on August 21, 2023, an examination system for fire control design and acceptance only applies to special construction projects and for other construction projects, a record-filing and spot check system shall be applied.

REGULATIONS ON PREVENTION AND CONTROL OF OCCUPATIONAL DISEASES

According to the provisions of the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) promulgated on October 27, 2001 and amended on December 31, 2011, July 2, 2016, November 4, 2017 and December 29, 2018,

REGULATORY OVERVIEW

respectively, the employer shall provide environments and conditions that meet the occupational health standards and health requirements of the State, take measures to ensure occupational health protection for workers, establish and improve the responsibility system for the prevention and control of occupational diseases, reinforce the management of occupational disease prevention and control, enhance the level of occupational disease prevention and control, and assume responsibility for harms caused by occupational diseases.

Where an employer's workplace has any occupational disease hazard factors as listed in the catalog of occupational diseases, the employer shall declare the hazardous items to the local health administrative department and accept supervision. Where a new construction, an expansion, a reconstruction project or a technical transformation or technology introduction project may cause any occupational hazards, the construction entity of such project shall conduct the pre-assessment of occupational hazards at the feasibility study stage. The construction entity shall include the expenses necessary for the protective facilities against occupational diseases of a construction project in the project budget of the construction project, and shall synchronise the design, construction, use for production and other operations of such facilities with the main body of the project. The construction entity shall evaluate the control effect of occupational hazards before the completion acceptance of the construction project. For occupational disease protection facilities in construction projects other than those for radioactive occupational disease hazards in medical institutions, the construction entity shall organise the acceptance according to law, and only after passing the acceptance can the project be put into production and operation.

Where an employer or a construction entity violates the provisions of the Law of the PRC on the Prevention and Control of Occupational Diseases, the health administrative department may give a warning, give an order to rectify within a time limit, impose a fine or order the discontinuance of the operation that produces occupational disease hazards, or may request the related people's government, within the limits of its powers specified by the State Council, to give an order for the discontinuance of the construction or close it down or take other measures. If a crime is constituted, it shall be investigated for criminal liability in accordance with the law.

REGULATIONS ON LEASED PROPERTIES

According to the Administrative Measures for Commercial Housing Leases (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

REGULATIONS ON CYBERSECURITY AND DATA SECURITY

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) issued by the SCNPC on November 7, 2016 and last amended on October 28, 2025 and implemented on January 1, 2026 (the "**Cybersecurity Law**"), network operators shall, in accordance with applicable laws and mandatory national and industry standards, develop internal security management mechanisms and take technical measures and other necessary measures to ensure network security and stable operation. Personal information and important data collected and produced by critical information infrastructure (the "**CII**") during operation shall be stored within the territory of the PRC; where due to business requirements it is truly necessary to provide it overseas, a security assessment shall be conducted according to the requirements of relevant departments, unless otherwise provided for in laws and administrative regulations. Network

REGULATORY OVERVIEW

operators in violation of the provisions of this law may be subject to penalties, such as being ordered to make rectifications, subject to warnings or fines, confiscation of unlawful gains, ordered to undergo temporary suspension of operations, a suspension of business to carry out corrective measures, undergo shutting down of websites, a revocation of relevant operations, permits, etc.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) passed by the SCNPC on June 10, 2021 and implemented on September 1, 2021, the state establishes a classified and tiered system for data protection. When conducting data processing activities, one shall comply with laws and regulations, establish a sound data security and management system throughout the whole process, organize and conduct data security education and training, as well as take corresponding technical measures and other necessary measures to protect data safety. The use of the internet and other information networks to carry out data processing activities shall, on the basis of the data classification and hierarchical protection system, fulfill the obligations of data security protection. The processors of important data shall, in accordance with relevant provisions, carry out risk assessment on their data processing activities on a regular basis and submit risk assessment reports to the relevant competent authorities. Those who fail to fulfill the legal obligations of data security protection will be ordered to correct their actions and be warned, fined, suspended from conducting their business or suspended in order to carry out rectification measures, or their relevant business licenses may be revoked.

REGULATIONS ON PERSONAL PRIVACY AND PERSONAL INFORMATION PROTECTION

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

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and which became effective on November 1, 2021, integrates the scattered rules with respect to personal information rights and privacy protection. The law aims to protect personal information rights and interests, regulate the processing of personal information, ensure the orderly and free flow of personal information in accordance with the law, and promote the reasonable use of personal information. Personal information, as defined in the law, refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding information processed anonymously. The law provides the circumstances under which a personal information processor could process personal information, which include, but is not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the individuals of the purpose and method of processing.

REGULATIONS ON COMMODITY IMPORT AND EXPORT

According to the Foreign Trade Law of the People’s Republic of China (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and subsequently amended on December 27, 2025 and which came into effect on March 1, 2026 and the “Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported

REGULATORY OVERVIEW

Goods” (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通告》) promulgated by the General Administration of Customs of the People’s Republic of China on January 3, 2023 and which came into effect on the same date, a consignee or consignor of imported or exported goods who applies for recordation shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

According to the Customs Law of the People’s Republic of China (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and subsequently amended on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017 and April 29, 2021, the consignee of imported goods, the consignor of exported goods and the owner of inward and outward articles shall be the obligatory customs duty payer. Unless otherwise stipulated, all imported and exported goods must be declared and duties on them shall be paid by the consignees or the consignors or by the representatives entrusted. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall undergo customs declaration formalities with the Customs authorities in accordance with the laws. According to the Provisions of the People’s Republic of China on the Recordation of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and which came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imported or exported goods or customs declaration enterprises that have filed for record with the Customs authorities in accordance with the Provisions. Consignors or consignees of imported or exported goods or customs declaration enterprises that apply for record-filing shall obtain market entity qualifications.

According to the Regulation of the People’s Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) (the “**Regulation on the Administration of the Import and Export of Goods**”) promulgated by the State Council on December 10, 2001 and amended on March 10, 2024, enterprises engaged in the import of goods to the customs territory of the People’s Republic of China, or export of goods from the customs territory of the People’s Republic of China, shall comply with the Regulation on the Administration of the Import and Export of Goods. For goods that are prohibited from importation or exportation, they cannot be imported or exported; for goods that are subject to import or export restrictions, a license or quota management system shall be implemented; for goods that are freely imported or exported, there is no restriction. The import and export business operator shall present the automatic import and export licenses, import and export licenses or the quotas certificate issued by the administrative departments of import quotas to the customs offices for handling the formalities of customs declaration and examination.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) amended by the SCNPC on June 29, 2007 and which took effect on January 1, 2008 and amended on December 28, 2012 and which took effect on July 1, 2013, and which the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and which took effect on September 18, 2008, employers must strictly abide by state standards and provide relevant training to their employees, protect their labor rights and perform their labor obligations. Labor relationships between employers and employees must be executed in written form. Labor contracts shall be categorized into labor contracts with fixed terms, labor contracts without fixed terms and labor contracts which expire upon completion of certain tasks. The remuneration payable by employers to its employees shall not be less than local minimum wage. Employers must establish a

REGULATORY OVERVIEW

system for labor safety and sanitation and they must strictly comply with national standards and provide relevant education to their employees. Violations of the above labor and social protection laws may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, became effective from July 1, 2011 and was amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which were promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which were promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers are required to open a social insurance account and a housing provident fund account within 30 days from the date of establishment, and employers are also required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance, and housing provident funds. Any employer who fails to contribute may be fined and ordered to make good the deficit within a stipulated time limit.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019, and the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and last amended on April 29, 2014, the Trademark Office of the administrative department for industry and commerce under the State Council shall be responsible for the registration and administration of trademarks in the PRC. The administrative department for industry and commerce under the State Council shall establish a Trademark Review and Adjudication Board to be responsible for handling trademark disputes. The registration of a trademark shall be valid for ten years from the date of approval. If there is a continued need for the use of a trademark, a renewal shall be made in accordance with the requirements within twelve months before the expiry of the trademark registration. If the renewal is not made within the stipulated period, the valid period may be extended for six months. Each renewal of registration of a trademark shall be valid for ten years from the date of the expiry of the previous trademark registration. If no renewal application has been filed before the expiry date, the registered trademark shall be deregistered. The administrative department for industry and commerce can lawfully investigate any infringement of the exclusive right under a registered trademark. Any alleged criminal offense shall be timely referred to a judicial authority and decided according to law.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and which came into effect on June 1, 2021 and the Implementation Rules of The Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and which came into effect on January 20, 2024, patents in China are divided into invention patent, utility patent and design patent. Invention patent refers to new technical solutions for a product, method or its improvement; utility patent refers to new technical solutions for the shape, structure or the combination of both shape and structure of a

REGULATORY OVERVIEW

product, which is applicable for practical use; design patent refers to new designs of the shape, pattern or the combination of shape and pattern, or the combination of the color, the shape and pattern of a product with esthetic feeling and industrial application value. Invention patent shall be valid for 20 years from the date of application, while utility patents shall be valid for 10 years and design patents shall be valid for 15 years from the date of application. The patents right provided to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

The Copyright Law

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and which became effective on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

According to the Regulation on Computer Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and last amended on July 1, 2004, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization, The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and which came into effect on November 1, 2017, the establishment of any domain name root server and institution for operating domain name root servers, managing the registration of domain name and providing registration services in relation to domain names within the territory of China shall be subject to the approval of the MIIT or provincial, autonomous regional and municipal communications administration. The registration of domain names shall follow the principle of “first come, first served”. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and which came into effect on January 1, 2018 specifies the obligation of anti-terrorism and maintaining network security of internet information service providers.

REGULATIONS ON FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the Regulations of the PRC for Foreign Exchange Control (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Control Regulations**”) which came into effect on April 1, 1996. The Foreign Exchange Control Regulations classify all international payments and transfers into current items and capital items. Most of the current items are no longer subject to SAFE’s approval, while capital items remain

REGULATORY OVERVIEW

unchanged. The Foreign Exchange Control Regulations were subsequently amended on January 14, 1997 and August 5, 2008. The latest amendment to the Foreign Exchange Control Regulations clearly states that no restriction will be imposed on international current payments and transfers.

According to the Notice on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)) which was promulgated by SAFE, came into effect on June 9, 2016 and amended on December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement through banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of SAFE in due time in accordance with international revenue and expenditure situations.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in noninvestment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "EIT Law") formulated by the NPC on March 16, 2007, last amended by the SCNPC and which came into effect on December 29, 2018, a non-resident enterprise having offices or establishments inside China shall pay enterprise income tax (at the enterprise income tax rate of 25%) on its income derived from China and on income that it earns outside China but which has real connection with the said offices or establishments. The enterprise income tax on high- and new-tech enterprises that are greatly supported by the State shall be levied at the reduced tax rate of 15%.

In accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) which were promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on April 14, 2008 and amended on January 29, 2016 and which came into effect on January 1, 2016, high-tech enterprises referred to in these Measures shall mean resident enterprises registered in Mainland China (excluding Hong Kong SAR, Macau SAR and Taiwan) which are continuously engaging in R&D and technology commercialization within the realm of the Regions of Advanced Technologies Strongly Supported by PRC, forming the core independent intellectual property of the enterprise, and carrying out business activities on such basis. Enterprises accredited according to these Measures may declare and claim tax incentives, according to the EIT Law and its Implementation Regulations, the Administrative Law of the People's Republic of China on the Levying and Collection of Taxes (《中華人民共和國稅收徵收管理法》), the Implementation Regulations for the Law of the People's Republic of China on Administration of Tax Collection (《中華人民共和國稅收徵收管理法實施細則》), etc. Upon obtaining the qualification as a

REGULATORY OVERVIEW

high-tech enterprise, the enterprise shall complete tax reduction and exemption formalities with the tax authorities in charge and the qualifications of an accredited high-tech enterprise shall be valid for three years from the date of issuance of the certificate.

Value-added tax

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “**VAT Law**”) promulgated by the SCNPC on December 25, 2024 and became effective on January 1, 2026 and the Regulations for the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》) promulgated by the State Council on December 25, 2025 and became effective on January 1, 2026, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, the sale of services, intangible assets or immovable properties and the importation of goods within the territory of the PRC must pay VAT. Any adjustments to the VAT tax rates shall be decided by the State Council, according to the Notice of the MOF and the SAT on the Relevant Policies on the Streamlining and Combination of Value-added Tax Rates (《財政部、國家稅務總局關於簡併增值稅稅率有關政策的通知》), the Notice of the MOF and the SAT on the Adjusting Value added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) and the Announcement of the MOF, the SAT and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》), the VAT tax rates currently implemented are 13%, 9%, 6% and 0%, and the VAT tax rate applicable to small-scale taxpayers is 3%.

Urban Maintenance and Construction Tax and Educational Surcharges

According to the Urban Maintenance and Construction Tax Law of the PRC (《中華人民共和國城市維護建設稅法》) (Order No. 51 of the President of the PRC), which became effective on September 1, 2021, the payers of excise tax and VAT are taxpayers of urban maintenance and construction tax, and shall pay urban maintenance and construction tax in accordance with the provisions of this Law. The tax rates shall be: 7% for taxpayers the domiciles of which/who are in urban areas; 5% for taxpayers the domiciles of which/who are in county or township centers; or 1% for taxpayers the domiciles of which/who are in places other than urban areas, county and township centers.

According to the Interim Provisions on the Collection of Educational Surcharges (《徵收教育費附加的暫行規定》) (Order No. 588 of the State Council of the PRC), which became effective on July 1, 1986 and was last amended and implemented on January 8, 2011, taxpayers of consumption tax, VAT and business tax shall pay educational surcharges. The tax rate of education surcharges shall be 3% of the actual amount of VAT, business tax and consumption tax paid by the entities and individuals and paid at the same time, respectively, along with the VAT, business tax and consumption tax. It also provides that all education surcharges paid by enterprises shall be paid out of sales revenue (or business income).

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and relevant five guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improved and reformed the existing regulatory regime for overseas offering and listing of PRC domestic companies’ securities and regulates both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in

REGULATORY OVERVIEW

overseas markets, either by direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC upon the occurrence of any of the material events after an issuer has offered and listed securities in an overseas market, such as (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; and (iv) voluntary or mandatory delisting. Where an issuer’s main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes.

Furthermore, on February 24, 2023, the CSRC, together with certain other PRC governmental authorities, promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the “**Confidentiality and Archives Administration Provisions**”) (《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》), which came into effect on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, PRC domestic companies that directly or indirectly conduct overseas offerings and listings shall strictly abide by applicable PRC laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. In the event that such documents or materials contain state secrets or working secrets of government agencies, the PRC domestic companies shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; in the event that such documents or materials, if leaked, could jeopardize national security or public interest, the PRC domestic companies shall strictly fulfill relevant procedures stipulated by applicable national regulations. Furthermore, the Confidentiality and Archives Administration Provisions also provide that where overseas securities regulators and relevant competent overseas authorities request to inspect, investigate or collect evidence from PRC domestic companies concerning their overseas offering and listing or their securities firms and securities service providers that undertake securities business for such PRC domestic companies, such inspection, investigation and evidence collection must be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent authorities of the PRC government will provide necessary assistance, according to bilateral and multilateral cooperation mechanism. Domestic companies, securities firms and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulators or competent overseas authority or providing documents and materials requested in such inspection and investigation.

H SHARE FULL CIRCULATION

Full circulation means listing and circulation on the Stock Exchange of the domestic Unlisted Shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing and Unlisted Shares held by foreign shareholders) of H share companies. On November 14, 2019, the CSRC issued the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H share Companies (《H股公司境內未上市股份申請“全流通”業務指引》), which was amended on August 10, 2023, allowing certain qualified H share companies and H share companies intended for listing to apply to the CSRC for full circulation. According to the Guidelines for the Full Circulation Program for Domestic Unlisted Shares of H share Companies, shareholders of domestic Unlisted Shares may determine by themselves through consultation the amount and proportion of shares, with filing to

REGULATORY OVERVIEW

the CSRC by an H share company commissioned for this purpose. After the application for full circulation has been filed by the CSRC, an H share company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC of the shares related to the application has been completed.

According to the Business Guide on H-Share “Full Circulation” of China Securities Depository and Clearing Corporation Limited Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (the “**CSDCC Shenzhen Branch**”) on June 27, 2025 and which became effective on June 30, 2025, the H share companies shall transfer the full amount of cash dividends in RMB to the bank account of CSDCC Shenzhen Branch before 16:00 on the distribution date of cash dividends as published in the announcement. The CSDCC Shenzhen Branch shall complete clearing of the dividend funds within three H share “full circulation” working days after the distribution date of cash dividends as published in the announcement, following which the dividend funds will be released to domestic securities companies and the domestic securities companies will release the dividend funds to the investors.

According to the Overseas Listing Trial Measures, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed in an overseas stock exchange, shall comply with the relevant regulations of the CSRC and entrust domestic enterprises to file with the CSRC.