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## REGULATORY OVERVIEW

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### REGULATIONS ON INCORPORATION AND FOREIGN INVESTMENT

The establishment, operation and management of companies in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》). According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited companies. The PRC Company Law applies to both PRC domestic companies and foreign investment companies. The MOFCOM and the SAMR promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》). Where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-invested enterprises shall report investment information to commerce departments. According to the Measures for the Reporting of Foreign Investment Information, a listed foreign-invested company is required to, when the change of foreign investors’ shareholding ratio accumulatively exceeds 5% or the foreign party’s controlling or relatively controlling status changes, report the information on the modification of investors and the shares held by them. MOFCOM and NDRC promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》), or the Negative List (2024).

The NPC approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), and the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. Pursuant to the Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

### REGULATIONS ON AUTOMOBILE SALES AND RECALL OF DEFECTIVE AUTOMOBILE PRODUCTS

According to the Measures for the Administration of Automobile Sales (《汽車銷售管理辦法》) promulgated by the MOFCOM, local competent commerce departments at or above the county level shall supervise and manage the automobile sales and related activities of providing relevant services within their respective administrative regions. Automobile suppliers and dealers shall file the basic information through the National Automobile Circulation Information Management System of the competent commerce department of the State Council within 90 days from the date of obtaining their business licenses; and such automobile suppliers and dealers must update any change to their filed information within 30 days upon such change in information. Automobile suppliers and dealers shall sell automobiles, accessories, and other related products that comply with the relevant national provisions and standards. A dealer shall, at its business premise, expressly indicate the prices of the products to be sold and the standards for various service fees and shall not sell any product at increased price or collect any additional fee. A dealer shall expressly indicate the product quality assurance, warranty services, and other after-sales service policies that consumers need to know.

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According to the Regulations on the Administration of the Recall of Defective Automobile Products (《缺陷汽車產品召回管理條例》) amended by the SC, Operators engaged in the sale, leasing and maintenance of motor vehicle products (hereinafter collectively referred to as Operators) shall establish and keep relevant records of motor vehicle products in accordance with the provisions of the competent product quality supervision department of the State Council, with a retention period of no less than five years. Where an Operator becomes aware that a motor vehicle product has defects, it shall immediately cease the sale, leasing and use of such defective motor vehicle product, and assist the manufacturer in implementing the recall. An Operator shall report information about any suspected defects of motor vehicle products it has identified to the competent product quality supervision department of the State Council, and notify the manufacturer thereof accordingly.

### REGULATIONS ON PRODUCT QUALITY AND PROTECTION OF CONSUMER RIGHTS AND INTERESTS

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior disclosure is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased products, the seller shall compensate for such losses.

The Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) was adopted by the NPCSC, according to which, a commercial seller is subject to liability for harm to persons or property caused by the product defects. The infringed may seek compensation from the commercial seller.

According to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) which was last amended by the Standing Committee of the National People’s Congress (the “**SCNPC**”), business operators shall guarantee that their provided commodities or services meet the requirements on personal and property safety. For commodities and services which may endanger personal or property safety, business operators shall provide consumers with true explanations and clear warnings, explaining and indicating the correct methods of using commodities or receiving services and the methods for preventing damage. After discovering any defects which may endanger personal or property safety in their provided commodities or services, business operators shall immediately report to the relevant administrative departments and inform consumers; and take measures such as cessation of sale, issuance of a warning, recall, harmless treatment, destruction, and cessation of production or service. Business operators who fail to comply with consumer protection regulations are subject to civil or criminal liability in accordance with law.

### FAVORABLE POLICIES ON NEW ENERGY VEHICLES IN CHINA

#### Exemption of Vehicle and Vessel Tax

According to the Notice of Preferential Vehicle and Vessel Tax Policies for Energy-saving and New Energy Vehicles and Vessels (《關於節能、新能源車船享受車船稅優惠政策的通知》) jointly promulgated by the Ministry of Finance of the PRC (“**MOF**”), the Ministry of Transport of the PRC (“**MOT**”), the State Taxation Administration of the PRC (“**STA**”), and the Ministry of Industry and MIIT, purely electric commercial vehicles, plug-in (including extended-range) hybrid vehicles, and fuel cell commercial vehicles are exempt from vehicle and vessel tax, whereas purely electric passenger

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vehicle and fuel cell passenger vehicles are exempt from vehicle and vessel tax. The Catalogue of New Energy Vehicle Models Enjoying Vehicle and Vessel Tax Reduction and Exemption (《享受車船稅減免優惠的節約能源使用新能源汽車車型目錄》) jointly promulgated by the MIIT and the STA from time to time lists the New Energy Vehicle models eligible for enjoying vehicle and vessel tax reduction and exemption.

### **Reduction and Exemption of Vehicle Purchase Tax**

According to the Announcement on Continuing and Optimizing the Vehicle Purchase Tax Reduction and Exemption Policy for New Energy Vehicles (《關於延續和優化新能源汽車車輛購置稅減免政策的公告》) jointly promulgated by the MOF, the STA and the MIIT, from January 1, 2024 to December 31, 2025, the purchase of new energy vehicles in the Catalogue of New Energy Vehicles Eligible for Vehicle Purchase Tax Reduction and Exemption (《減免車輛購置稅的新能源汽車車型目錄》, “Catalogue”) was exempted from vehicle purchase tax; from January 1, 2026 to December 31, 2027, the purchase of new energy vehicles in the Catalogue was and will be subject to vehicle purchase tax reduced by half.

### **Government Subsidies for New Energy Vehicle Purchasers**

According to the Notice on Implementing the Policy of Large-Scale Equipment Renewal and Consumer Goods Trade-Ins for 2026 (《關於2026年實施大規模設備更新和消費品以舊換新政策的通知》) issued by the NDRC and the MOF, China will continue to support the retirement of obsolete commercial trucks meeting the “National IV” (or below) emission standard in 2026, with priority given to replacing them with electric trucks. The subsidy standards will be implemented in accordance with the Notice on Implementing the Retirement and Renewal of Old Commercial Trucks (《關於實施老舊營運貨車報廢更新的通知》) issued by the MOT, the NDRC and the MOF.

According to the Guiding Opinions on Accelerating the Promotion and Application of New Energy Vehicles (《關於加快新能源汽車推廣應用的指導意見》) issued and implemented by the General Office of the State Council, the Chinese government emphasizes continuously improving the application level of modern information technologies in the innovation of business operation models for new energy vehicles. It encourages internet enterprises to participate in the technological research and development as well as operation services of new energy vehicles, and accelerates the application of new technologies such as smart grids, mobile internet, the Internet of Things and big data, so as to bring greater convenience and benefits to the promotion and application of new energy vehicles.

### **Promote the Production, Research and Development of New Energy Vehicles**

The Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》), which was promulgated and implemented by the General Office of the State Council, designates deepening supply-side structural reform as its central guiding principle. It emphasizes the strategic direction of electrification, connectivity, and intelligence, and upholds the principles of market orientation, innovation-driven growth, coordinated development, and openness to foster the industry’s high-quality and sustainable advancement. The plan proposes two phased targets, that is, by 2025, the average energy consumption of new pure electric passenger vehicles will be reduced to 12.0 kWh/100 km, and the sales volume of new energy vehicles will account for approximately 20% of total new vehicle sales. Through 15 years of sustained efforts, the vision is for pure electric vehicles to become the mainstream of new vehicle sales and for public sector vehicles to be fully electrified.

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### REGULATIONS ON THE IMPORT AND EXPORT OF GOODS

In accordance with the Foreign Trade Law of the People’s Republic of China (《中華人民共和國對外貿易法》), and the Notice on Matters Relating to the Filing of Consignees and Consignors of Imported and Exported Goods (《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知》), the consignee or consignor of imported or exported goods applying for filing should obtain the qualification of the market entity, but no filing for foreign trade operators is required.

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC, the General Administration of Customs (the “**Customs**”) of the PRC is vested with the authority for the supervision and administration of entry and exit points. Under the framework of pertinent laws and administrative regulations, the Customs Law exercises its jurisdiction over various aspects, including the inspection and regulation of vehicles, goods, luggage, postal articles and other items entering and departing the country. This mandate encompasses the assessment and collection of customs duties, taxes and fees, as well as the prevention and detection of smuggling activities, compilation of customs statistics and execution of related customs procedures.

Pursuant to the Provisions of the Customs of the PRC on the Administration of Registration of Customs Declaration Entities (《中華人民共和國海關關於報關單位登記管理規定》) promulgated by the GACC, “customs declaration entities” refer to the consignees or consignors of imported or exported goods or customs declaration enterprises officially registered at the Customs. An enterprise applying for registration shall obtain the market entity qualification. The registration of customs declaration entities shall remain valid indefinitely, while a temporary registration is valid for one year and may be renewed upon expiration.

According to the Regulations of the People’s Republic of China on the Administration of the Import and Export of Goods (the “Goods Import and Export Regulations”, 《中華人民共和國貨物進出口管理條例》), enterprises engaged in import or export trading activities involving goods entering or leaving the PRC territory must comply with the provisions of the Goods Import and Export Regulations: goods prohibited from import and export shall not be imported or exported; goods restricted from import and export are subject to a licensing system or a quota system; freely imported and exported goods are not subject to any restrictions. The consignee of imported goods or the consignor of exported goods shall submit an automatic import/export license, import/export license, or quota certificate to the customs to complete customs clearance procedures.

### REGULATIONS ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

The Action Plan for Carbon Dioxide Peaking in Industrial Sectors (《工業領域碳達峰實施方案》) issued by the Ministry of Industry and Information Technology of the PRC (“**MIIT**”), the National Development and Reform Commission of the PRC (“**NDRC**”) and the Ministry of Ecology and Environment (“**MEE**”) mandates expanding green and low-carbon product supply in transportation, promoting energy-saving and new energy vehicles (NEVs), advancing vehicle integration technological innovation and raising NEV industry concentration. It requires increasing NEV penetration in urban public transport, postal services, sanitation, urban logistics and personal consumption. By 2030, around 40% of newly added vehicles shall be NEV and clean energy-powered, with the CO<sub>2</sub> emission intensity of new passenger and commercial vehicles dropping by over 25% and 20% respectively compared with 2020.

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According to the Opinions on Accelerating Comprehensive Transition Towards Green Economic and Social Development (《中共中央國務院關於加快經濟社會發展全面綠色轉型的意見》) jointly promulgated by the Central Committee of the Communist Party of China and the State Council, China will boost the development of non-fossil energy and the proportion of non-fossil energy in energy consumption will rise to about 25% by 2030. The use of low-carbon transportation vehicles is encouraged. Great efforts will be made to promote new energy vehicles, driving the electrification of urban public service vehicles. It will promote the use of clean power in ships, aircraft, and non-road mobile machinery, accelerate the phase-out of outdated transportation vehicles, advance zero-emission freight transport, strengthen the research, development and application of sustainable aviation fuels and encourage the research, production and application of net-zero emission marine fuels. By 2030, carbon emission intensity of commercial vehicles measured on the basis of converted turnover will be cut by about 9.5% compared with 2020. By 2035, new energy vehicles will become the mainstream in the sales of new vehicles.

According to the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), hazardous waste generators must store, utilize and dispose of such waste in accordance with national provisions and environmental protection standards, and shall not arbitrarily dump or pile it up. Entities engaged in the collection, storage, utilization and treatment of hazardous waste shall apply for and obtain a relevant permit, with hazardous waste defined in the latest version of the National Catalogue of Hazardous Wastes (《國家危險廢物名錄》) issued by the MEE and other authorities. The Jiangsu Province Regulation on the Prevention and Control of Environmental Pollution by Solid Waste (《江蘇省固體廢物污染環境防治條例》) requires industrial solid waste generators to accurately record the type, quantity, flow direction, storage, utilization and disposal of such waste through the dedicated solid waste pollution prevention and control information platform.

## REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION AND AUTOMOBILE DATA SECURITY

### Cyber Security

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) amended by the SCNPC (“**Cybersecurity Law**”), the state shall implement rules for graded protection of cybersecurity. Network operators shall, according to the requirements of the rules for graded protection of cybersecurity, develop internal security management mechanisms, and take technical measures and other necessary measures to ensure network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. The state shall, on the basis of the rules for graded protection of cybersecurity, emphasizes the protection of important sectors and areas such as public telecommunications and information services, energy, transportation, irrigation, finance, public services, and e-government, etc., and critical information infrastructure, that, once damaged, disabled or data leaked, may gravely harm national security, national economy, people’s livelihood, and public interest. Personal information and important data collected and produced by critical information infrastructure during operation within PRC shall be stored within PRC; where due to business requirements it is truly necessary to provide it outside of PRC, a security assessment shall be conducted according to the requirements of relevant departments. Network operators in violation of the provisions of this law may be subject to penalties, such as being ordered to make rectifications, given warnings or fines, confiscated of unlawful gains, ordered a temporary suspension of operations, a suspension of business for corrections, a shutting down of websites, a revocation of relevant operations permits, etc.

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According to the Regulations on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) promulgated by the SC, critical information infrastructure means network facilities and information systems in important industries and fields — such as public communication and information services, energy, transportation, irrigation, finance, public services, e-government, and science and technology industries for national defense, and the important network facilities and information systems that may seriously endanger national security, national economy and people’s livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The Regulations emphasize that no individual or organization may engage in any activity of illegally hacking into, interfering with, or damaging any critical information infrastructure or endanger the critical information infrastructure security. The relevant government departments are responsible for formulating rules for the determination of critical information infrastructure with reference to a number of factors stipulated in the Regulations, and for further determining the critical information infrastructure operators (“**CIIO**”) in the relevant industries on the basis of such rules. The relevant authorities shall also notify the operator that it is recognized as a CIIO.

### Data Security

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, 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, full-range data security and management system, organize and conduct data security education and training as well as take corresponding technical measures and other necessary measures to protect data safety. 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 obligations of data security protection and provide important data abroad in violation of the law will be ordered to correct, warned, fined, suspended with their business or suspended for rectification, or revoked of relevant business licenses.

The Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the SC, reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers’ obligations. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for listing abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

### Personal Information Protection

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

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (“**Personal Information Protection Law**”) adopted by the SCNPC, personal information of natural persons is protected by law. No organization or individual may infringe upon natural persons’ rights and interests relating to personal information. The Law clarifies that personal information shall be processed under the principles of lawfulness, legitimacy, necessity, and good faith and shall be

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processed for a clear and reasonable purpose, directly related to the processing purpose and in a manner that has the minimum impact on the rights and interests of individuals, and limited to the minimum scope necessary for achieving the processing purpose. It shall be processed under the principle of openness, and the quality of personal information shall be guaranteed and security measures shall be taken to prevent personal information from being accessed without authorization, divulged, tampered, or lost. The Personal Information Protection Law provides that a personal information processor may process personal information in accordance therewith on the basis of the six circumstances already specified thereunder. No organization or individual may illegally collect, use, process, or transmit personal information, illegally buy or sell, provide or make personal information public, or engage in the processing of personal information that endangers the national security or public interests. The Personal Information Protection Law clarifies the definition of “sensitive personal information”, which means personal information that, once leaked or illegally used, may give rise to discrimination against individuals or endanger personal or property security. Where a personal information processor processes sensitive personal information with the individual’s consent, a separate consent shall be obtained from the individual. Where any law or administrative regulation provides that written consent shall be obtained for processing sensitive personal information, such provision shall prevail.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) jointly promulgated by the CAC, the NDRC, the MIIT, the MPS, the Ministry of State Security of the PRC, the MOF, the MOFCOM, the People’s Bank of China, the SAMR, the State Radio and Television Administration of the PRC, the State Secrets Bureau of the PRC (“SSB”) and the State Cryptography Administration of the PRC, operators of online platforms handling personal information of more than one million users must apply for a cybersecurity review with the Cybersecurity Review Office when they are seeking for listing in a foreign country. In the meantime, the member organizations of the cybersecurity review working mechanism have the discretion to initiate a cybersecurity review on any network product or service, or any data processing activity if they deem such network product, or service, or data processing activity affects or may affect national security.

Pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》), and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), any collection and use of a user’s personal information must abide by the principles of legality, legitimacy and necessity, explicitly state the purpose, manners and scopes of the information collection and uses, obtain the consent of the user. Internet information service providers must strictly keep confidential the collected users’ personal information, shall not disclose, alter, damage, sell, or provide it to others. Internet information service providers shall take technical measures and other necessary measures to prevent the collected personal information from being disclosed, damaged, or lost without authorization.

### **Automobile Data Security**

The CAC, the NDRC, the MPS, the MIIT and the Ministry of Transport jointly promulgated the Several Provisions on Automobile Data Security Management (Trial Implementation) (the “Provisions on Automobile Data Security” 《汽車數據安全管理若干規定(試行)》) which took effect on October 1, 2021 and aims to regulate the collection, analysis, storage, utilization, provision, publication, and cross-border transfer of personal information and important data involved in the process of automobile design, sales, use, operation and maintenance, among others. Relevant automobile data processors include, components and parts and software suppliers, dealers, maintenance organizations, and ride-hailing and sharing service enterprises, among others. To process personal information, automobile data processors shall obtain the consent of the individual or conform to other circumstances stipulated

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by laws and regulations. Pursuant to the Provisions on Automobile Data Security, important data related to automobiles shall in principle be stored within the PRC and a security assessment of cross-border data transfer shall be conducted by the national cyberspace administration authority in concert with relevant departments under the State Council if it is indeed necessary to provide such data overseas. To process important data, automobile data processors shall conduct risk assessments in accordance with regulations and submit risk assessment reports to related departments at provincial levels.

Pursuant to the Notice of the Ministry of Industry and Information Technology on Strengthening Network Safety and Data Safety Work of Vehicle Connectivity (《關於加強車聯網網絡安全和數據安全工作的通知》) promulgated by the MIIT, enterprises engaged in vehicle connectivity must strengthen the prevention and protection of intelligent connected vehicle safety, vehicle connectivity network security, service platform security, and data security. They are also required to enhance the safety standard system for network and data safety.

### REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

#### Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) which was last amended by the SCNPC, any invention or utility model for which a patent right may be granted must meet three conditions: novelty, inventiveness, and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, nuclear transformation method, or substances obtained by means of nuclear transformation. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, and a fifteen-year term for design. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, otherwise it will constitute an infringement of the rights of the patent owner.

#### Copyrights

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People's Republic of China and other related systems, laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. According to the Measures for the Registration of Computer Software Copyright (《計算器軟件著作權登記辦法》) and the Regulations on Protection of Computer Software (《計算機軟件保護條例》), the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority. Applicants for computer software copyright satisfying the requirements of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computer Software will be issued a registration certificate by the China Copyright Protection Center.

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### Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) which was last amended by the SCNPC, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) amended by the State Council, registered trademarks in China include commodity trademarks, service trademarks, collective marks, and certification marks.

The Trademark Office of China National Intellectual Property Administration is responsible for trademark registration and administration in China. The period of validity of a registered trademark shall be ten years. If a registrant needs to continue to use the registered trademark after the period of validity, an application for renewal of registration shall be made every ten years. Application for renewal of registration shall be submitted within 12 months prior to the expiry date. The first to file principle is adopted in the registration of trademarks in China. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Applying for registration of a trademark shall not prejudice the existing right first obtained by others, nor could any person register in advance a trademark that has already been used by another party and has already gained a sufficient degree of reputation through such party's use. Using a trademark identical or similar to the registered trademark on the same or similar commodities without the permission of the trademark registrant constitutes an infringement on the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial measures, and compensate for losses.

### Domain Names

According to the Administrative Measures on Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT, the MIIT supervises and administrates the domain name service nationwide. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

## REGULATIONS ON LABOR AND SOCIAL INSURANCE

Pursuant to the PRC Labor Law (《中華人民共和國勞動法》), amended and promulgated by the SCNPC, and the PRC Labor Contract Law (《中華人民共和國勞動合同法》), employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which last amended by the SCNPC, the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵收繳費暫行條例》) which last amended by the State Council, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) issued by the State Council, respectively, employers are required to pay social insurance premiums such as basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance and maternity insurance for their employees, and contribute to housing provident funds. If the employer fails to pay the housing fund within the prescribed time, it may be ordered to pay within a certain period of time, and if it still fails to pay, compulsory enforcement by the court can be applied.

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On July 31, 2025, the Supreme People’s Court of the PRC has issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**Interpretation II**”), which takes effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People’s Court of the PRC shall uphold the claim.

### REGULATIONS ON OVERSEAS LISTING

On February 17, 2023, with the approval of the State Council, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and relevant five guidelines, which came into force on March 31, 2023. According to the Trial Administrative Measures, PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and submit relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

According to the Provisions on Strengthening Confidentiality and Archives Management for Domestic Enterprises Engaging in Overseas Securities Issuance and Listing (《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》) jointly issued by the CSRC, the MOF, the National Administration of State Secrets Protection, and the National Archives Administration, domestic enterprises engaged in overseas securities issuance and listing activities, as well as securities companies and securities service institutions providing related services, shall strictly comply with the relevant laws and regulations of the People’s Republic of China and the requirements of this provision, enhance legal awareness of safeguarding state secrets and strengthening archives management, establish and improve confidentiality and archives management systems, take necessary measures to implement confidentiality and archives management responsibilities, and shall not disclose state secrets or state agency work secrets, nor harm national or public interests. Domestic enterprises that provide, publicly disclose, or disclose documents or materials involving state secrets or state agency work secrets to securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, whether directly or through their overseas listing entities, shall submit such actions to the competent authority with approval authority for approval in accordance with the law and report them to the confidentiality administrative department at the same level for filing.

### Full Circulation of H Shares

“Full Circulation” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, 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. CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Guidelines for the ‘Full Circulation’**”). As regulated in the Guidelines for “Full Circulation,” shareholders of domestic unlisted shares have the flexibility to jointly

## REGULATORY OVERVIEW

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decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for “full circulation” with the CSRC. An unlisted domestic joint stock company may file with the CSRC for “full circulation” at the time of its initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Trial Administrative Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf.