We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section summarizes the principal PRC laws, rules and regulations which relate to our business and operations in the PRC.

## APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

### Food Operation Licensing

According to the Administrative Measures for Food Operation Licensing and Record-filing (the "**Food Operation Measures**") (《食品經營許可和備案管理辦法》), which was promulgated by the State Administration for Market Regulation (the "**SAMR**"), on June 15, 2023 and became effective on December 1, 2023, entities and/or individuals engaging in the operation of food shall obtain a food operation license. Applicants for a food operation license shall meet various conditions set out in the Food Operation Measures. The food operation license is issued by the administration for market regulation at or above the county level and is valid for five years. Those who engage in food operation activities but fail to obtain a required food operation license shall be punished by the local market regulatory authorities at or above the county level according to Article 122 of the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (the "**Food Safety Law**").

On November 29, 2021, the SAMR promulgated the Announcement on Matters relating to the Record- filing for the Sale of Only Pre-packaged Food (《關於僅銷售預包裝食品備案有關事項的公告》), which stipulates that an entity trading in food but only for sale of pre-packaged food shall apply for the record-filing when registering for market entity registration. The record-filing formalities shall be completed before carrying out such businesses. Those who have obtained food operation licenses are not required to go through the record-filing before the expiration of their food operation licenses.

### Food Safety

According to the Food Safety Law, which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on February 28, 2009, most recently amended on September 12, 2025, and effective as of December 1, 2025, and the Implementation Regulations for the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) (the"**Revised Implementation Rules**") promulgated by the State Council of the PRC (the "**State Council**") on July 20, 2009 and most recently amended on October 11, 2019 and effective from December 1, 2019, anyone who engages in food production, food selling, or catering services shall obtain the license according to the Food Safety Law. Food producers and business operators shall take and conform to the measures specified in the Food Safety Law and the Revised Implementation Rules. The Food Safety Law sets out, as penalties for violation, various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of utensils, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

### The Packages of Pre-packed Food

Pursuant to the Food Safety Law and Administrative Provisions on Food Labelling (《食品標識管理規定》), which was promulgated by the General Administration of Quality Supervision, Inspection and Quarantine on August 27, 2007 and amended on October 22, 2009 and entered into force on the same day, food that has already been packaged must have labels. The name, specifications, net content, and date of production, a list of ingredients or components, the producer's name, address, and contact information, shelf life, product standard code, storage conditions, the general name of the food additives used in accordance with national standards, the serial number of the food production license, and any other information required by law, regulation, or food safety standards must all be listed on the labels. The main nutritional components and their contents must also be listed on the labels of staple and supplemental foods intended only for infants, babies, and other specified groups.

**Purchase Acceptance System**

Food traders who purchase food are required by the Food Safety Law to verify the supplier's permit and food ex-factory inspection certificate or other qualification proof. Food trade enterprises must set up an inspection records system for food purchases, accurately document the description, specifications, quantity, date of manufacture or production batch, shelf life and date of purchase of food, as well as the name, address, and contact details of the supplier etc., and retain the relevant documentation. When the product's shelf life expires, the records and documentation must be retained for a minimum of six months; if the shelf life is not specified, they must be retained for a minimum of two years. Food trade enterprises that use unified distribution may set up their head office to conduct unified inspections of supplier permits and food product quality certificates, as well as to maintain inspection records for food purchases.

**Self-inspection System**

Food producers and traders are required by the Food Safety Law to set up a food safety self-inspection system and regularly inspect and evaluate food safety conditions. In the event of a food safety incident with potential risks, food producers or traders must immediately cease food producing or food business operations and report to the county People's Government's food safety supervision and administration department. If conditions for producing and business operations change and the producers or traders no longer comply with food safety requirements, they must immediately adopt corrective measures.

**Food Recall System**

The Food Safety Law and the Revised Implementation Rules establish a food recall system. A food producer or trader must immediately stop producing or selling food that fails to satisfy applicable food safety regulations and notify the relevant producers, traders, and consumers. The food producer or trader shall maintain records of the recall and notification procedures and report the recall and treatment to the relevant authorities.

The Administrative Measures for Food Recalls (《食品召回管理辦法》), promulgated by the CFDA (now the SAMR) on March 11, 2015, effective on September 1, 2015, and subsequently amended on October 23, 2020, set forth comprehensive provisions governing the handling of unsafe food within the PRC. These provisions encompass the cessation of affected products and/or operations, the initiation of recalls, and the proper disposal of implicated items.

According to the Administrative Measures for Food Recalls, food producers and business operators bear primary responsibility for food safety. They are required to establish a sound management system, systematically collect and analyze food safety information, and carry out statutory obligations including ceasing production or operations and executing recalls and disposals of unsafe food. Moreover, where a producer or operator fails to promptly cease production or operations, initiate a voluntary recall, commence a recall within the stipulated timeframe, execute the recall in accordance with its approved plan, or dispose of unsafe food as mandated, the local market regulation authority shall issue a warning and concurrently impose a fine ranging from RMB10,000 to RMB30,000.

**Food Storage**

Pursuant to the Food Safety Law and the Revised Implementation Rules, food traders are required to store food in a manner that ensures food safety, conduct regular inspections of their food inventory, and promptly remove and dispose of any deteriorated or expired products. Where food traders store bulk food, they must display, at the storage site, clear information including the food's description, date of manufacture or production batch, shelf life, and the name and contact details of the manufacturer. For food requiring specific temperature and humidity controls, appropriate heat preservation, cold storage, or freezing equipment and facilities must be in place, and such equipment must be properly maintained to remain fully operational.

### Quality Control

On October 8, 2022, the SAMR released the Interim Measures for the Supervision and Management of Food-related Product Quality and Safety (《食品相關產品質量安全監督管理暫行辦法》) ("**the Interim Measures of Food-related Product**"), which came into force on March 1, 2023. The Interim Measures of Food-related Product set out the duties of manufacturers and vendors of food-related products, along with detailed requirements for managing the entire production process. Furthermore, the Interim Measures of Food-related Product establish a strict legal liability system for food-related products to define the legal liabilities for violations involving food-related products.

## REGULATIONS ON INTELLECTUAL PROPERTIES

### Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982, was most recently amended on 23 April 2019 and came into effect on 1 November 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on 3 August 2002, was most recently amended on 29 April 2014 and came into effect on 1 May 2014, registered trademarks in the PRC include trademarks for products, service trademarks, collective trademarks and certification trademarks. The Trademark Office of the China National Intellectual Property Administration handles trademark registrations and grants a validity period of ten years to registered trademarks, which may be renewed for a further ten years upon request prior to the expiry of the period of validity.

### Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on 12 March 1984, most recently amended on 17 October 2020 and came into effect on 1 June 2021, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on 21 December 1992 and most recently amended on 11 December 2023 and came into effect on 20 January 2024, patents in the PRC fall into three categories: invention patents, utility model patents and design patents. The term of patent protection for invention patents is 20 years, the term of patent protection for utility model patents is 10 years, and the term of patent protection for design patents is 15 years, all commencing from the date of application.

### Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) ("**the Copyright Law**"), effective on June 1, 1991 and latest amended on November 11, 2020, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the rights of production and distribution. According to the Copyright Law, works shall refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including written works, computer software and any other intellectual achievements which comply with the characteristics of the works. 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, unless otherwise provided in the Copyright Law, constitutes infringements of copyrights. The infringer must, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology or pay damages.

Pursuant to the Regulation on the Protection of Computer Software (《計算機軟件保護條例》), which was promulgated by the State Council on 4 June 1991, most recently amended on 30 January 2013 and came into effect on 1 March 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated on 6 April 1992, most recently amended by the National Copyright Administration of China (the "**NCAC**") on 18 June 2004 and came into effect on 1 July 2004, the NCAC is responsible for the administration and supervision of software copyright registration in the PRC and recognises the China Copyright Protection Centre ("**CPCC**") as the software registration organisation. The CPCC shall grant registration certificates to computer software copyright applicants which comply with the provisions of the Regulation on the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

**Domain Names**

According to the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by MIIT on August 24, 2017 and became effective on November 1, 2017, MIIT is responsible for supervision and administration of domain name services in the PRC. Communication administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register". A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

## REGULATIONS ON CYBERSECURITY, PRIVACY AND DATA PROTECTION

PRC government authorities have enacted laws and regulations with respect to Internet information security and the protection of personal information from any abuse or unauthorized disclosure. Internet information in China is regulated and restricted from a national security standpoint.

On November 7, 2016, the SCNPC issued the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), which was amended on October 28, 2025 and became effective on January 1, 2026. The Cyber Security Law is formulated to maintain network security, safeguard cyberspace sovereignty, national security and public interests, and protect the lawful rights and interests of citizens, legal persons and other organizations. The Cyber Security Law also reiterates certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the Cyber Security Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permit, cancellation of business license, closedown of websites or even criminal liabilities.

The PRC Civil Code provides that individuals have the right of privacy and no organization or individual shall process any individual's private information or infringe an individual's right of privacy, unless otherwise prescribed by laws or with such individual's prior express consent.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**") was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permit or even criminal liabilities.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") promulgated on August 20, 2021 and came into effect on November 1, 2021, provides detailed rules on handling personal information and legal responsibilities. Critical information infrastructure operators and personal information processors processing personal information reaching quantities provided by the State cybersecurity and informatization department shall store personal information collected and produced within the borders of the PRC domestically; where they need to provide it abroad, they shall pass a security assessment organized by the State cybersecurity and informatization department. Processors of personal information shall, based on the purpose and methods of processing personal information, categories of personal information, the impacts on individuals' rights and interests, and potential security risks, take the measures to ensure that personal information processing activities comply with the provisions of laws and administrative regulations, and prevent unauthorized access as well as the leakage, tampering or loss of personal information.

The Cybersecurity Review Measures (《網絡安全審查辦法》), promulgated by the Cyberspace Administration of China (the "**CAC**") and other related authorities and last amended on December 28, 2021 and was effective on February 15, 2022, proposes the following key matters: (i) Internet platform operators that are engaged in data processing activities which have or may have an implication on national security shall undergo a cybersecurity review; (ii) the China Securities Regulatory Commission (the "**CSRC**") is one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review mechanism; (iii) Internet platform operators that hold personal information of more than one million users and seek to list abroad ("**國外上市**") shall file for a cybersecurity review with the Cybersecurity Review Office; and (iv) the risks of core data, material data or large amounts of personal information being stolen, leaked, destroyed, damaged, illegally used or transmitted to overseas parties, and the risks of critical information infrastructure, core data, material data or large amounts of personal information being influenced, controlled or used maliciously shall be collectively taken into consideration during the cybersecurity review process.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》) (the "**CBDF Provisions**"). In accordance with the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) implemented on September 1, 2022, the Measures for the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) implemented on June 1, 2023, the Announcement regarding the Implementation of Personal Information Protection Certification (《關於實施個人信息保護認證的公告》) implemented on November 4, 2022, and the CBDF Provisions, data processors transferring data overseas are required to comply with the corresponding data cross-border transfer supervision procedures as stipulated by relevant laws and regulations, except for those meeting exemption conditions. On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into force on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

## REGULATIONS ON MOBILE APPLICATION INFORMATION SERVICES

The provision of commercial internet information services on mobile internet applications is regulated by the Administrative Provisions on Information Services of Mobile Internet Applications (《移動互聯網應用程序信息服務管理規定》) (the "**Mobile Application Administrative Provisions**"), which was promulgated by the State Internet Information Office on June 28, 2016, took effect on August 1, 2016, and was last amended and became effective on August 1, 2022. The information service providers of mobile internet applications are subject to requirements under these provisions, including acquiring the qualifications required by laws and regulations and ensuring information security.

## REGULATIONS ON CONSUMER PROTECTION

According to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the "**Consumer Rights and Interests Protection Law**"), which was last amended by the NPCSC on October 25, 2013, and came into effect on March 15, 2014 and the Regulations on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法實施條例》) (the "**Implementation Regulations**"), promulgated by the State Council on March 15, 2024 and effective as of July 1, 2024, business operators shall, in provision of the goods they produce or sell or provision of services, to the consumers, abide by the Consumer Rights and Interests Protection Law. If a business operator fails to fulfill its obligation of consumer safety and causes damage to consumers, it is subject to liability under tort law. If a business operator provides goods or services in violation of relevant provisions of the Consumer Rights and Interests Protection Law, which infringes on the legitimate rights and interests of consumers and constitutes a crime, such business operator is rendered liable for criminal investigation in accordance with the law.

According to the Measures for the Supervision and Administration of Online Transactions (《網絡交易督管理辦法》), which was amended by the SAMR on March 18, 2025, and came into effect on May 1, 2025, the commercial activities of selling goods or providing services through the Internet or any other information networks are regulated. Operators engaged in online transactions shall complete the registration of market entities in accordance with the law unless any law provides otherwise, truthfully disclose their business licenses and information on their products/services, adhere to the principles of willingness, fairness, and good faith, protect the rights and interests of consumers, and are not allowed to operate without licenses, make false misrepresentations, or sell counterfeit or sub-standard goods. Operators must accept the supervision and inspection of market regulatory authorities.

## REGULATIONS ON ANTI-UNFAIR COMPETITION

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), which was last amended by the NPCSC on June 27, 2025, and came into effect on October 15, 2025, business operators shall follow the principles of willingness, equality, fairness, and good faith in their production and business activities, and abide by laws and business ethics. The act of unfair competition under the Anti-Unfair Competition Law means any act of a business operator in its production or business activities that violates the provisions of the Anti-Unfair Competition Law, disrupts the order of market competition, and causes damage to the legitimate rights and interests of other business operators or consumers. Business operators who violate the provisions of the Anti-Unfair Competition Law are subject to civil, administrative, or criminal liability depending on the specific circumstances.

## REGULATIONS ON ADVERTISING

The SAMR is the government agency responsible for regulating advertising activities in the PRC. On October 27, 1994, the SCNPC enacted the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "**Advertising Law**"), which became effective on February 1, 1995 and was last amended on April 29, 2021. The Advertising Law increases the potential legal liability of providers of advertising services, and includes provisions intended to strengthen the identification of false advertising and the power of governmental authorities. Pursuant to the Advertising Law, relevant PRC laws on advertisement require advertisers, advertising operators, and advertising distributors to ensure that the content of the advertisements they produce or distribute is true and in full compliance with applicable laws and regulations and shall not contain wordings such as "national level", "highest level and "best". Publishing and circulating advertisements through the Internet shall not affect the normal use of the Internet by users. An Internet advertisement shall be recognizable and enable consumers to identify it as an advertisement. The administrator of a public place, an operator of a telecommunications business, or an Internet information service provider shall stop the sending or publishing of illegal advertisements through the public place or information transmission or release platform that it knows or should have known.

According to the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》), which was promulgated by the SAMR on February 25, 2023, and came into effect on May 1, 2023, Internet advertisements should be identifiable so that consumers can recognize them as advertisements. Advertisers are responsible for the authenticity of the content of Internet advertisements.

## REGULATIONS ON FOREIGN INVESTMENT

### Company Establishment and Foreign Investment

Companies established and operating in the PRC shall be subject to the PRC Company Law, which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993, implemented on July 1, 1994 and was most recently amended on December 29, 2023 and effective from July 1, 2024. The Company Law provides for the establishment, corporate structure, and corporate management of companies, which also applies to foreign-invested enterprises in the PRC. Unless otherwise provided in the PRC foreign investment laws, the provisions in the Company Law shall prevail.

On March 15, 2019, the NPC 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 Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020. Pursuant to the Foreign Investment Law, foreign investment refers to the investment activity directly or indirectly conducted by a foreign natural person, enterprise or other organization, collectively the "foreign investors". The Implementation Regulations for the Foreign Investment Law of the PRC have introduced the "look-through" principle and further provided that investments made by foreign-invested enterprises in China should also be governed by the Foreign Investment Law and its Implementing Regulations.

Investments in the PRC by foreign investors and foreign-invested enterprises were regulated by the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was promulgated by the NDRC and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "**MOFCOM**") jointly on September 6, 2024 and became effective on November 1, 2024, and the Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by the NDRC and the MOFCOM, on December 15, 2025 and became effective on February 1, 2026. Pursuant to the laws and regulations mentioned above, foreign-invested projects are categorized as encouraged, restricted and prohibited. Foreign-invested projects that are not listed in the Negative List are permitted foreign-invested projects.

On December 30, 2019, the MOFCOM and the SAMR issued the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020, pursuant to which, since January 1, 2020, for carrying out investment activities directly or indirectly within the territory of China, the foreign investors or foreign-invested enterprises shall submit investment information to the competent commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System.

## REGULATIONS ON LEASING OF REAL PROPERTY

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994, and last amended on August 26, 2019, and took effect on January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental prices, rental and repair liabilities, and other rights and obligations of both parties. In addition, pursuant to the Law on Administration of Urban Real Estate of the PRC and the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and became effective on February 1, 2011, both lessor and lessee are required to register the lease within 30 days from execution of the property lease contract with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

Pursuant to the PRC Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if neither the lessor nor the lessee has completed the registration and filing procedures for the lease contract in accordance with laws and administrative regulations, it shall not affect the validity of the contract.

## REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

### Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC on July 5, 1994, last amended and came into effect on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was promulgated by the SCNPC on June 29, 2007 and became effective on January 1, 2008, and then amended on December 28, 2012 and became effective on July 1, 2013, the Implementation Rules of the Labor Contract 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 on September 18, 2008 and came into effect on the same day, and the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《最高法院關於審理勞動爭議案件適用法律若干問題的解釋(二)》) (the "**Interpretation II of the Supreme People's Court on Labor Dispute Cases**"), which was promulgated by the Supreme People's Court on August 1, 2025 and came into effect on September 1, 2025. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Law and the Labor Contract Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations. The Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》), which was promulgated by the SCNPC on August 30, 2007, amended and became effective on April 24, 2015, requires that individuals have equal employment opportunities, both in hiring and in employment terms, without discrimination on the basis of ethnicity, race, gender, religious belief, communicable disease or rural residence. Under this law, companies are also required to provide employees with vocational training. Administrative authorities at the county level or above are responsible for implementing policies to promote employment.

### Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was amended on December 29, 2018, and other relevant PRC laws and regulations, the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who fail to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Interpretation II of the Supreme People's Court on Labor Dispute Cases, which took effect on September 1, 2025, any agreement between an employer and employee, or any employee commitment to the employer, purporting to waive social insurance contributions shall be deemed invalid by the people's courts. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee terminates the labor contract and claims economic compensation under Article 38(3) of the Labor Contract Law, the people's courts shall uphold such claims.

**Housing Provident Fund**

According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), which was effective on April 3, 1999 and last amended on March 24, 2019, employers shall undertake to register with the competent administrative center of housing provident fund, or the Center, and upon the verification by the Center, open accounts of housing provident funds for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident funds for their employees in full amount. An enterprise that fails to make housing fund contributions in full may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline by the housing provident fund management center; otherwise, an application may be made to a local court for compulsory enforcement.

**REGULATIONS ON FOREIGN EXCHANGE**

The principal regulations governing foreign currency exchange in the PRC are the Administrative Regulations for Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**"), which was promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008. Under the Foreign Exchange Regulations, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade, and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of the PRC, unless the prior approval of the SAFE, is obtained and prior registration with the SAFE is made.

On May 11, 2013, the SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發〈外國投資者境內直接投資外匯管理規定〉及配套文件的通知》) (the "**SAFE Circular 21**"), which was amended on October 10, 2018, and was partially repealed on December 30, 2019. The SAFE Circular 21 specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with the SAFE and/or its branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to direct investment in the PRC based on the registration information provided by the SAFE and its branches.

The SAFE released the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") and last amended on March 23, 2023. In accordance with the SAFE Circular 19, the foreign exchange capital of foreign invested enterprises shall be subject to the "discretional foreign exchange settlement" approach. The proportion of discretional foreign exchange settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%, while SAFE can adjust the aforementioned proportion in due time based on the situation of the international balance of payments.

On June 9, 2016, the SAFE published the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), which became effective immediately and was later amended on December 4, 2023. According to the SAFE Circular 16, enterprises that have registered in the PRC may also discretionally determine to convert their foreign debts from foreign currency to RMB. In addition, SAFE promulgated the Circular of the State Administration of Foreign Exchange Regarding Further Promotion of the Facilitation of

Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**") and was amended on December 4, 2023. The SAFE Circular 28 expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a truthful investment and such investment is in compliance with the foreign investment-related laws and regulations.

On April 10, 2020, the SAFE promulgated Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), according to which, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

## REGULATIONS ON TAXATION

### Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**") which was last amended on December 29, 2018 and the Implementing Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (collectively with the EIT Law, the "**PRC EIT Laws**") which was amended on December 6, 2024, took effect on January 20, 2025, apply a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. Enterprises qualifying as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate.

Under the PRC EIT Laws, an enterprise established outside China with a "de facto management body" within China is considered a "resident enterprise", which means it can be treated as a domestic enterprise for enterprise income tax purposes. A non-resident enterprise that does not have an establishment or place of business in China, or has an establishment or place of business in China but the income of which has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside China at the reduced rate of enterprise income tax of 10%. Dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

### Value-added Tax

The Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by SCNPC on December 25, 2024 and became effective from January 1, 2026, all entities or individuals in the PRC engaging in the sale of goods, services, intangible assets, or real estates, and the importation of goods are required to pay value-added tax (the "**VAT**").

In accordance with the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued by the Ministry of Finance (the "**MOF**"), the State Taxation Administration (the "**STA**") and the General Administration of Customs on March 20, 2019, which came into force on April 1, 2019 and was partially repealed on September 1, 2025, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, where the VAT rate of 16% currently applies, it shall be adjusted to 13%, and the currently applicable VAT rate of 10% shall be adjusted to 9%.

### Taxation on Dividends

According to the Individual Income Tax Law (《個人所得稅法》) promulgated on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和 國個人所得稅法實施條例》) last amended on December 18, 2018 and effective on January 1, 2019, income from interest, dividends, bonuses, property leasing, property transfer and incidental income shall be subject to a proportional tax rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued on September 7, 2015 by the MOF, the STA and the CSRC, where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempted from individual income tax. If the individual holds the stocks for one month or less, the income from dividends is fully taxable. If the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable. The aforesaid income is subject to an individual income tax at a flat rate of 20%. The Circular of the State Taxation Administration on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprise (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the STA on November 6, 2008, further clarified that a PRC-resident enterprise shall uniformly withhold enterprise income tax at a rate of 10% on dividends paid to H Share shareholders of overseas non-resident enterprise for 2008 and subsequent years. After receiving dividends, the shareholder of a non-resident enterprise may apply to the competent tax authority for the treatment under the tax treaty (arrangement), and after the examination and verification by the competent tax authority, shall refund the balance between the tax paid and the tax payable calculated according to the tax rate stipulated in the tax treaty (arrangement). In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the STA on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends 2008 and subsequent years that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

## REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

### Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market,and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

### Overseas Listings

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《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 five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures and Supporting Guidelines will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic enterprises' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic enterprises' securities by adopting a filing-based regulatory regime. According to the Overseas Listing

Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

## REGULATIONS ON FULL CIRCULATION OF H SHARE

In accordance with the Guidelines for the Application by H-share Companies for "Full Circulation" of Unlisted Shares (《H股公司境內未上市股份申請"全流通"業務指引》) which was promulgated by the CSRC on November 14, 2019 and came into effect on the same date, which was partly revised on August 10, 2023, the term "full circulation" means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares issued domestically after listing abroad and unlisted shares held by foreign shareholders) of H-share companies on the Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for "full circulation". After the domestically unlisted shares are listed for circulation on the Stock Exchange, they shall not be transferred back to Chinese Mainland. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of registration of the shares involved in the application to China Securities Depository and Clearing Co., Ltd. (the "**CSDC**").

In accordance with the Guidelines for H-shares "Full Circulation" Business of China Securities Depository and Clearing Co., Ltd 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》) which was promulgated by CSDC Shenzhen Branch on September 20, 2024 and came into effect on September 23, 2024, and was latest amended on June 27, 2025 and became effective on June 30, 2025, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. According to the guidelines, the H-share companies shall transfer the full amount of cash dividends in RMB to the bank account of CSDC Shenzhen Branch before 16:00 on the distribution date of cash dividends as published in the announcement. The CSDC 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, and then 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 file with the CSRC.