
REGULATORY OVERVIEW

This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group.

This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會) (the “**SCNPC**”) on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Catalogue**”), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “**NDRC**”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”). The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted”, and “prohibited”. Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”), promulgated by the National People’s Congress (全國人民代表大會) on March 15, 2019, effective since January 1, 2020, and 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》) (the “**Implementation Regulations for FIL**”), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the MOFCOM and State Administration for Market Regulation (國家市場監督管理總局) (the “**SAMR**”) promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “**Reporting Measures**”), which came into effect on January 1, 2020. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. Pursuant to the Reporting Measures, foreign investors and foreign-invested enterprises who directly or indirectly carry out investment activities in the PRC shall report investment information to the competent departments of commerce by submitting initial reports, change reports, cancellation reports and annual reports.

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On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the CSRC promulgated 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》) (the “**Overseas Listing Trial Measures**”) and five relevant guidelines, which became effective on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provides that an overseas offering and listing is prohibited if there is one of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the country; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws; (iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures also provides that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering and listing by PRC domestic enterprises: (i) the amount of any of the operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer’s audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer’s business activities are conducted in mainland China, or its principal place of business is located in mainland China, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in mainland China. Where an issuer submits an application for an 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 requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

To enhance confidentiality and archive management for domestic enterprises’ overseas offerings and listings, CSRC, the Ministry of Finance of the PRC (財政部), National Administration of State Secrets Protection (國家保密局), and National Archives Administration (國家檔案局) promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《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

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工作的規定》(證監會公告[2023]44號)) on February 24, 2023, which came into effect on March 31, 2023, and at the same time. They outline procedural requirements and specify enterprises’ confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

REGULATIONS RELATING TO M&A RULES

On August 8, 2006, six (6) PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, promulgated the M&A Rules (《關於外國投資者併購境內企業的規定》), which govern the mergers and acquisitions of domestic enterprises by foreign investors. These rules became effective on September 8, 2006, and were revised on June 22, 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC citizens intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC citizens, such acquisition must be submitted to the MOFCOM for approval. The M&A Rules also require that a special purpose vehicle (SPV), established for overseas listing purposes and controlled directly or indirectly by PRC citizens, shall obtain the approval of the CSRC prior to overseas listing and trading of its securities on an overseas stock exchange.

On July 6, 2021, the General Office of the State Council and General Office of the Central Committee of the Communist Party of China (中共中央辦公廳) issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC-based overseas-listed companies.

REGULATIONS RELATING TO OFFSHORE INVESTMENT BY PRC RESIDENTS

Pursuant to the Circular of the State Administration of Foreign Exchange (國家外匯管理局) (the “SAFE”) on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (“SAFE Circular 37”), promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (“Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “Telecommunications Regulations”), which were promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, provide the regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize telecommunications services in the PRC into basic telecommunications services and value-added telecommunications services, and value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures. Under the Telecommunications Regulations, telecommunications services providers shall obtain operating licenses from the MIIT or its provincial counterparts prior to the commencement of operations.

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The Administrative Measures for Telecommunications Business Operating License (《電信業務經營許可管理辦法》) with latest amendments becoming effective from September 1, 2017 set forth more specific provisions regarding the types of licenses required for value-added telecommunications services and the qualifications and procedures for obtaining such licenses. The value-added telecommunications services operators providing value-added services across multiple provinces are required to obtain inter-regional licenses from the MIIT, whereas value-added telecommunications services operators providing such services within a single province are required to obtain local licenses from the provincial level counterparts.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and last amended on December 6, 2024 classify internet information services into either commercial internet information services or non-commercial internet information services. Commercial internet information services refer to paid services such as provisions of information or website production to online users via the internet. Companies engaged in commercial internet information services shall obtain the licenses for internet information services from the competent telecommunications authorities.

The Catalog of Classification of Telecommunications Services (《電信業務分類目錄》), attached to the Telecommunications Regulations and last amended on June 6, 2019 by the MIIT, divides information services business into information publication platform and delivery services, information search and inquiry services, information communities platform services, instant message services, and information security and management services.

Regulations on Mobile Internet Applications Information Services

In addition, the provision of application information services and application distribution services in the PRC is specially regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) (the “**APP Provisions**”), which was promulgated by the Cyberspace Administration of China (the “**CAC**”) on June 28, 2016 and last amended on June 14, 2022. According to the APP Provisions, the CAC and local offices of cyberspace administration shall be responsible for the supervision and administration of nationwide or local application information respectively. The application information service providers shall acquire relevant qualifications required by laws and regulations and implement the information security management responsibilities strictly and fulfill their obligations, including verifying user identity information, protecting users’ information, examining and managing information content.

Furthermore, on February 6, 2023, the MIIT released the Notice on Further Raising the Service Capabilities of Mobile Internet Applications (《工業和信息化部關於進一步提升移動互聯網應用服務能力的通知》), which reiterates the importance of service capabilities of mobile internet applications and relevant service providers, and imposes a series of requirements for applications developers, applications service providers and applications platform services providers, including but not limited to providing appropriate services related to downloading and uninstalling mobile internet applications with users, using automatic renewal services only upon the users’ consent and offering convenient options to cancel automatic renewal services to users.

On July 21, 2023, the MIIT further promulgated the Notice of Carrying out the Filing of Mobile Internet Applications (《關於開展移動互聯網應用程序備案工作的通知》) which came into effect on the same date, and requires the filing of mobile internet applications programs with the authorities by the operators of such mobile internet applications programs in China. Operator of mobile internet applications programs shall not engage in any internet information service if it fails to complete the filing. The operator of mobile internet applications programs shall indicate the filing number in a prominent position of the mobile internet applications program and link the URL of the filing system for public inquiry and verification. Operators of existing mobile internet applications programs must complete filing procedures through an Internet service provider (ISP) or a mobile internet applications program distribution platform between September 2023 and March 2024. New

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mobile internet applications programs cannot be put into use unless and until the filing procedures have been completed. Hangzhou Yangtuo Network has completed the filing formalities of our Hipac of mobile internet applications programs on October 18, 2023, and September 14, 2024, respectively.

Regulations Relating to Foreign Investment in Value-Added Telecommunications Services

The State Council promulgated the Decision of the State Council on Revising and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》) on March 29, 2022, according to which the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “**FITE Regulations**”) was amended and such amendment has come into effect on May 1, 2022 (the “**New FITE Regulations**”). The New FITE Regulations, except as otherwise provided, no longer require stringent performance and operational experience of the foreign investors in the enterprises providing value-added telecommunications services. The foreign-invested telecommunications enterprises shall obtain approvals from the MIIT or its authorized local branches prior to the commencement of the value-added telecommunications business in the PRC.

According to the Notice of the MIIT regarding the Strengthening of Ongoing and Post Administration of Foreign-Invested Telecommunications Enterprises (《工業和信息化部關於加強外商投資電信企業事中事後監管的通知》) issued on October 15, 2020, the MIIT will no longer issue Examination Letter for Foreign Investment and Operation in Telecommunications Business (《外商投資經營電信業務審定意見書》). Foreign-invested enterprises would need to submit relevant foreign investment materials to the MIIT for obtainment or change of the licenses for operation of telecommunications business.

REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), which was adopted by the SCNPC on September 2, 1993, came into effect as of December 1, 1993, and last amended on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-Unfair Competition Law in the production and operating activities. Pursuant to the PRC Anti-Unfair Competition Law, operators must abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-Unfair Competition Law should bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

In February 2021, the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) were promulgated by the Anti-Monopoly Commission of the State Council. These guidelines outline certain practices that may, if without justifiable reasons, constitute abuse of dominant position. The guidelines also expressly state that concentration involving variable interest entities will also be subject to antitrust filing requirements.

On June 24, 2022, the SCNPC adopted an amendment to the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), which introduced a “safe harbor” for vertical monopoly agreements entered into by operators whose market share falls below a specific threshold to be set by the SAMR, granted the SAMR the power to suspend the review period in merger investigations under specified circumstances, allowed public prosecutors to bring a civil public interest lawsuit based on monopolistic behaviors, and significantly increased the penalties for violation of PRC Anti-Monopoly Law, among others. This amendment emphasized the enforcement of PRC Anti-Monopoly Law in the internet and other key industries.

The Provisions on the Review of Concentrations of Undertakings (《關於經營者集中申報標準的規定》) issued by the State Council on January 22, 2024 further clarified the factors that should be considered to determine whether an undertaking acquires control over, or may exercise decisive influence on, other undertakings.

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According to the Price Law of the PRC (《中華人民共和國價格法》), or the Price Law, which was promulgated by the SCNPC on December 29, 1997 and effective on May 1, 1998, business operators are prohibited from engaging in unfair pricing activities. If a business operator violates the Price Law, he/she shall be subject to administrative penalties, such as warning, cessation of illegal activities, confiscation of illegal gains, being fined not more than five times the illegal gains thereof, and the business operator may be ordered to suspend business for rectification or the business license may be revoked in severe circumstances.

REGULATIONS RELATING TO E-COMMERCE

The Measures for the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》) promulgated by the SAMR in March 2021 and last amended in March 2025, stipulate the obligations of online trading operators. Social networking, live streaming, or other network services providers who provide online trading platform services for operators must perform the obligations in accordance with the laws and regulations. On December 24, 2014, the MOFCOM promulgated the Provisions on the Procedures for Formulating Transaction Rules of Third-Party Online Retail Platforms (Trial) (《網絡零售第三方平台交易規則制定程序規定(試行)》) which came into effect on April 1, 2015 to regulate the formulation, revision, and enforcement of transaction rules for online retail marketplace platforms.

On August 31, 2018, the SCNPC promulgated the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), which came into effect on January 1, 2019. The E-commerce Law of the PRC imposes a series of requirements on e-commerce operators including e-commerce platform operators, merchants operating on the platform and the individuals and entities carrying out business online. According to the E-commerce Law of the PRC, e-commerce operators who provide search results based on consumers’ characteristics, such as hobbies and consumption habits, must also provide consumers with options that are not targeted at their personal characteristics at the same time, respect and fairly protect the legitimate interests of the consumers. In addition, e-commerce platform operators are not allowed to impose unreasonable restrictions over or add unjustified conditions to transactions concluded on their platforms by merchants, or charge merchants operating on its platform any unreasonable fees.

An e-commerce platform operator must obtain a license for value-added telecommunications services with the specification of online data processing and transaction processing business from appropriate telecommunications authorities, pursuant to the Telecommunications Regulations and the Catalog of Classification of Telecommunications Services.

REGULATIONS RELATING TO ADVERTISING SERVICES

The Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC on October 27, 1994 and last amended on April 29, 2021, requires advertisers to ensure that the content of the advertisements are true. The content of advertisements cannot contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the nation or divulges the secrets of the nation, (ii) information that contains wordings such as “national level,” “highest level,” or “best,” and (iii) information that contains ethnic, racial, religious, or sexual discrimination. Advertisements posted or published through the internet cannot affect normal usage of network by users. Advertisements published in the form of pop-up window on the internet must display the close button in a clear manner to make sure that the viewers can close the advertisement by one click.

On February 25, 2023, the SAMR promulgated the Measures for Administration of Internet Advertising (《互聯網廣告管理辦法》), which stipulate the obligations of the advertisers, the internet advertising operators, and the internet information service providers. According to these measures, the product seller or the service provider who markets any product or service through live streaming on the internet, which constitutes a commercial advertisement, must take the corresponding responsibilities and perform obligations of advertisers in accordance with the laws and regulations,

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and the live streaming operators and marketers should also take corresponding responsibilities and perform obligations if they provide advertising design, production, agency, or publishing services or constitutes an advertising endorsement.

REGULATIONS RELATING TO THE PAYMENT SERVICES AND PREPAID CARDS

Pursuant to the Administrative Measures for the Payment Services Provided by Non-financial Institutions (《非金融機構支付服務管理辦法》) promulgated by the People’s Bank Of China (the “PBOC”) on 14 June 2010, last amended with immediate effect on 29 April 2020 and was replaced by the Implementation Rules for the Supervision and Administration of Non-Bank Payment Institutions (《非銀行支付機構監督管理條例實施細則》) issued in 9 July 2024, and the Regulations on Supervision and Administration of Non-bank Payment Institutions (《非銀行支付機構監督管理條例》) issued by the State Council on 9 December 2023, which became effective on 1 May 2024, a non-financial institution which provides payment services as intermediary agencies between payers and payees, including online payment, issuance and acceptance of prepaid cards, bankcard acquiring and other payment services as determined by the PBOC must obtain a “Payment Business License” to provide payment services and qualifies as a paying institution. Payment institutions shall carry out business activities in compliance with the scope of business approved by the Payment Business License, and shall not outsource any business, transfer, lease, or lend its Payment Business License. Without the approval of the PBOC, any non-financial institution or individual shall not engage in payment business whether directly or in a disguised form. Non-bank payment institutions illegally established without approval, or those engaging in payment business directly or under any pretext shall be banned by the PBOC pursuant to the law; illegal income shall be confiscated; where the amount of illegal income is 500,000 yuan or more, a fine ranging from one to five times the amount of illegal income shall be imposed on them; where there is no illegal income or the amount of illegal income is less than 500,000 yuan, a fine ranging from 500,000 yuan to 2 million yuan shall be imposed on them separately or concurrently. The legal representative or principal, person directly in charge and other directly accountable personnel shall be subject to a warning and a fine ranging from 100,000 yuan to 500,000 yuan.

Pursuant to the Administrative Measures on Single-Purpose Commercial Prepaid Cards (Trial Implementation) (《單用途商業預付卡管理辦法(試行)》), or the Administrative Measures on Single purpose Prepaid Cards, which was promulgated by the MOFCOM in 2012 and was amended in 2016, single-purpose commercial prepaid cards are prepaid certificates issued by an enterprise engaging in retail industry, accommodation and catering industry and residential services industry which are limited to be used as payment for goods or services by the enterprise or within the group to which the enterprise belongs or within the franchise system of the same brand, including physical cards in various forms such as magnetic stripe cards, chip cards, and paper coupons as well as virtual cards. Card-issuers shall complete filing formalities within 30 days from the date of carrying out single purpose card businesses. Violation of the aforementioned regulations may result in an order of rectification. Where the card issuer fails to rectify within a stipulated period, a fine ranging from RMB10,000 to RMB30,000 may be imposed.

REGULATIONS RELATING TO FOREIGN TRADE

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), or the Foreign Trade Law, promulgated by the SCNPC on May 12, 1994 and amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

Customs Law

According to the Customs Law of the PRC (《中華人民共和國海關法》), adopted by the SCNPC on January 22, 1987, most recently amended on April 29, 2021 and effective on the same date, the Customs of the People’s Republic of China is the entry and exit customs supervision and

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administration authority of PRC. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), adopted by the General Administration of Customs on November 19, 2021 and effective on January 1, 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid-for one year, after the expiry reapplication of recordation can be made.

REGULATIONS RELATING TO FOOD SAFETY AND FOOD OPERATION LICENSING

Under the Food Safety Law (《中華人民共和國食品安全法》), which came into effect on June 1, 2009 and was most recently amended on April 29, 2021, as well as the Implementing Rules on the Food Safety Law (《中華人民共和國食品安全法實施條例》), which came into effect on July 20, 2009 and were last amended on October 11, 2019, the imported food, food additives and food-related products shall be consistent with the national food safety standards of China. A food importer shall apply for inspection with the import and export inspection and quarantine authority for the imported food and food additives, make truthful reports on the relevant information of products, and attach qualified documents as provided by the laws and administrative regulations. The imported food, after arrival at the port, shall be stored in the place designated or approved by the import and export inspection and quarantine authority; where relocation is required, necessary safety protection measures shall be taken in accordance with the requirements of the import and export inspection and quarantine authority. Bulk imported food shall be subject to inspection at the port of discharge. The Administrative Department of Health under the State Council shall, in compliance with the provisions of Article 93 of the Food Safety Law, review the relevant national (regional) standards or international standards submitted by overseas exporters, overseas production enterprises or their entrusted importers, and then decide to tentatively apply and publish such standards as found in line with food safety requirements. Before the publication of such tentative applicable standards, no import shall be conducted regarding food without national food safety standards.

Pursuant to the Food Safety Law, the State implements a licensing system for food production and trading. A person who engages in food production, food selling or catering services must obtain a license in accordance with the law. On June 15, 2023 the State Administration for Market Regulation promulgated the Administrative Measures for Food Operation Licensing and Record-filing (《食品經營許可和備案管理辦法》), and came into effect on December 1, 2023. According to the Administrative Measures for Food Operation Licensing and Record-filing, a food operation license must be obtained in accordance with the law to engage in food selling and catering services within the territory of the PRC. A food operator shall obtain a food operation license or make record-filing to engage in food operation activities at one operation site. Applications for food operation licensing shall be filed according to food operators’ types of operation and operation items classification.

The Measures for Investigation and Punishment of Illegal Acts concerning the Safety of Food Sold Online (《網絡食品安全違法行為查處辦法》), which were promulgated by China Food and Drug Administration (now merged into SAMR) on July 13, 2016 and last amended on March 18, 2025, stipulate the rules for investigation and punishment of violations of food safety laws, regulations or

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rules or food safety standards committed by the providers of third-party online food trading platforms and the food producers and traders engaging in trade through the third-party platforms or self-built websites within the territory of the PRC.

REGULATIONS RELATING TO CONSUMER PROTECTION

The Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) (the “**Consumer Protection Law**”) was first promulgated by the SCNPC on October 31, 1993 and was last amended on October 25, 2013, effective on March 15, 2014. The Consumer Protection Law sets out the obligations of business operators and the rights and interests of consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide, if these goods and services are consumed under normal standards. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers’ purchase of goods or acceptance of services on online platforms if the platform operators fail to provide consumers with authentic contact information of the sellers or service providers. The Implementation Rules of the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法實施條例》) was promulgated by the State Council on March 15, 2024 and came into effect on July 1, 2024, according to which, if the business operators adopt automatic extension, automatic renewal, or other similar mechanisms in connection with the provisions of their services, the business operators must prominently draw the attention of the consumers before they accept the service and before the dates of automatic extension, automatic renewal, or effectiveness of other mechanisms. The business operators cannot send commercial information to consumers or make commercial telephone calls without the consent of the consumers. In the event that a consumer consents to receiving commercial information and/or commercial telephone calls, the business operators must provide clear and convenient means of cancellation and must immediately stop these behaviors if the consumer chooses to cancel.

REGULATIONS RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and most recently amended on December 29, 2018 by the SCNPC, the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product does not possess the functionality it should inherently possess, and no prior and clear indication is given of such a situation; (ii) the product does not conform to the applicable product standard stated on the product or its packaging; or (iii) the product does not conform to the quality specified through a product description or physical sample. If a consumer incurs losses due to the purchased product, the seller shall compensate for such losses.

On May 28, 2020, the PRC Civil Code (《中華人民共和國民法典》), was adopted by the SCNPC and came into force on January 1, 2021. Under the PRC Civil Code, a manufacturer or a commercial seller is liable for harm caused to persons or property due to product defects. The aggrieved party may claim compensation from either the manufacturer or the seller. If compensation is sought from the seller, the seller is entitled to recover from the responsible manufacturer after fulfilling the compensation obligation.

REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

On June 22, 2007, the MPS, National Administration of State Secrets Protection (國家保密局), State Council Information Office (abolished) and State Cryptography Administration (國家密碼管理局) issued the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which regulate that the security protection of an information system may be graded into five level. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the level of municipality divided into districts or above.

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The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》, the “**Cybersecurity Law**”), which was promulgated on November 7, 2016, and subsequently amended on October 28, 2025, pursuant to which, the state shall implement rules for graded protection of cybersecurity and the network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

On December 28, 2021, the CAC together with 12 other authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**CAC Measures**”), which took effect on February 15, 2022. The CAC Measures provide that: (i) a critical information infrastructure operator (the “**CIIO**”) procuring network products or services, which affects or may affect national security shall be obliged to apply for the cybersecurity review with the Cybersecurity Review Office (網絡安全審查辦公室), the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) the network platform operators that possess personal information data of more than one million users that seek for a listing abroad are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) if the competent governmental authorities believe that the network products or services or data processing activities affects or may affect national security, the Cybersecurity Review Office (網絡安全審查辦公室) shall be entitled to conduct a cybersecurity review against those data processing activities in accordance with the CAC Measures.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》, the “**Data Security Law**”), which took effect in September 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security.

On July 7, 2022, the CAC officially issued the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which became effective and was implemented on September 1, 2022. Based on the Measures, data processors shall apply for the security assessment of data cross-border transfer to the national cyberspace administration through the provincial cyberspace administration in the place where they operate if they provide data outside China and fall into one of the following conditions: (1) data processors provide important data outside China; (2) operators of critical information infrastructure and data processors who process personal information of over 1 million users provide personal information outside China; (3) data processors who provide accumulative personal information of over 100,000 users or accumulative sensitive personal information of over 10,000 users outside China from January 1 of previous year provide personal information outside China; (4) other situations required to apply for the security assessment for data cross-border transfer as stipulated by the national cyberspace administration. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》, “**New Cross-border Data Flow Provisions**”). The New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Cross-border Data Transmission, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived. Pursuant to Article 5 of the New Cross-border Data Flow Provisions, where a data processor provides personal information overseas and meets specific conditions, it may be exempted from declaring a cross-border data transfer security assessment, entering into a standard contract for overseas personal information transfer, or obtaining personal information protection certification. Among these, the exemption specified in the first paragraph is “necessary for concluding or performing a contract to which an individual is a party, such as

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cross-border shopping..., where it is indeed necessary to provide personal information overseas.” Group’s business scenario involves providing cross-border shopping services to domestic users. To fulfill the purpose of the contract, it is indeed necessary to share users’ essential personal information with overseas product vendors. This scenario aligns with the condition stipulated in Article 5(1) of the New Cross-border Data Flow Provisions, namely “necessary for concluding or performing a contract to which an individual is a party” and corresponds to the exemplified scenario of “cross-border shopping” listed in the provisions.

Therefore, based on the aforementioned business facts and the clear stipulations of Article 5 of the New Cross-border Data Flow Provisions, the Group’s cross-border transfer of personal information under this scenario falls under an exemption. Accordingly, it is not required by law to declare a cross-border data transfer security assessment, enter into a standard contract for overseas personal information transfer, or obtain personal information protection certification.

On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the State Council and has come into effect on January 1, 2025. The Cyber Data Security Regulations is to implement general requirements on data security management from the Cybersecurity Law, the Data Security Law, as well as the Personal Information Protection Law, reiterating 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.

On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement various protection measures to ensure the data to be effectively protected and legally utilized.

REGULATIONS ON PERSONAL INFORMATION PROTECTION

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) adopted by the National People’s Congress 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 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.

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》, the “**Personal Information Protection Law**”), which took effect on 1 November 2021. The Personal Information Protection Law requires, among others, that (i) the processing (including the collection, storage, use, processing, transmission, provision, disclosure and deletion) of personal information shall be processed following the principles of lawfulness, legitimacy, necessity and good faith, and shall not be processed through misleading, fraudulent, coercive and other means, (ii) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities processing personal information bear responsibilities for their activities of processing personal information, and shall adopt necessary measures to safeguard the security of the personal information that they process.

On 31 December 2021, the CAC, the MIIT, the MPS, the SAMR jointly promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》), which came into effect on 1 March 2022. The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation implements classification and hierarchical management for algorithm recommendation service providers based on varies criteria.

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Moreover, it requires algorithmic recommendation service providers to provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services. If the users choose to cancel the algorithm recommendation service, the algorithm recommendation service provider must immediately stop providing relevant services. Algorithmic recommendation service providers must also provide users with the function to select or delete user labels that are based on personal characteristics and used for algorithmic recommendation services.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the “first-to-file” principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the “NIPA”).

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office announces trademarks eligible for renewal. Trademark registrants can authorize others via licensing contracts, but licensing details must be filed with the Trademark Office. Failure to file won’t affect bona fide third parties. Quality supervision is the licensor’s responsibility, and licensees must maintain product quality when using the registered trademark.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) 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》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: “invention,” “utility model” and “design.” Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the “first to file” principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders’ rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, lastly amended on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal entities or unincorporated organizations, whether published or not, shall enjoy copyright. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a

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certain form, including written works, oral works, photographic works, video and audio works, and computer software. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China’s Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration operates on a “first come, first file” basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the PRC Civil Code, a lessee may, upon the lessor’s consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. 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》), which was promulgated by the SCNPC on July 5, 1994 and was last amended on August 26, 2019, and the Management Measures for the Lease of Commercial 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 effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people’s government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people’s governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties’ failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and last amended on December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and be in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and 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 on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively.

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Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and last amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發〈生育保險和職工基本醫療保險合併實施試點方案〉的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. On September 1, 2025, the Second Interpretation of the Supreme People’s Court on Issues Concerning the Application of Law 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)) came into effect. According to this interpretation, among others, where the employer and the employee agree, or the employee promises the employer that there is no need to make social insurance contributions, the people’s court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law, the people’s court shall uphold such a claim.

According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated by the General Office of the State Administration of Taxation on September 13, 2018, all local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises or to carry out a centralized clearance of the enterprise’s historical outstanding payments.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period.

REGULATIONS ON EMPLOYEE STOCK INCENTIVE PLAN

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知》), which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC individuals or non-PRC individuals residing in China for a continuous period of no less than one (1)

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year, subject to a few exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the State Administration of Taxation (the “SAT”), has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

REGULATIONS RELATING TO THE PRC TAX

Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People’s Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC’s government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-added Tax

On December 25, 2024, the SCNPC issued the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), or the VAT Law, which became effective from January 1, 2026. According to the VAT Law, any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the VAT Law. Except for taxpayers’ export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

The principal regulations governing the distribution of dividends of foreign-invested enterprises include the Foreign Investment Law and the PRC Company Law, as regulated by SAMR, MOFCOM, and their local counterparts. Under these laws, wholly foreign-owned

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enterprises and Sino-foreign equity joint ventures in the PRC may only pay dividends out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, these foreign-invested enterprises may not pay dividends unless they set aside at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds, until such time as the accumulative amount of such fund reaches 50% of the enterprise’s registered capital. In addition, these companies also may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was last amended on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment insecurities outside China unless prior approval of SAFE or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

The Notice on Simplifying Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by SAFE on February 13, 2015 and was amended on December 30, 2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE’s supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise’s scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”), was promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which was promulgated by the SAFE on October 23, 2019, and was amended on December 4, 2023. Among other things, it allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.