

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Pursuant to the Company Law of the People’s Republic of China (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress (“SCNPC”) on December 29, 1993, amended on December 29, 2023 and effective from July 1, 2024, the provisions of the Company Law apply to all companies established in the PRC, which stipulate the establishment, corporate structure, and corporate governance of companies, and are also applicable to foreign-invested companies. Where the laws on foreign investment provide otherwise, such provisions shall apply.

According to the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) implemented by the NPC on January 1, 2020, the PRC implements a management system of pre-establishment national treatment plus a negative list for foreign investment. Pre-establishment national treatment refers to granting foreign investors and their investments treatment no less favorable than that granted to domestic investors and their investments during the investment access stage; The negative list refers to the special administrative measures for foreign investment access in specific fields stipulated by the State (the “**Negative List**”). The State will grant national treatment to foreign investment outside the negative list.

Foreign investors shall not invest in fields prohibited by the Negative List and shall comply with the investment conditions for restricted fields stipulated in the Negative List, while foreign investment outside the Negative List shall be managed in accordance with the principle of consistency for domestic and foreign investment. The State establishes a foreign investment information reporting system.

According to the Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》) implemented by the Ministry of Commerce and the State Administration for Market Regulation on January 1, 2020, foreign investors or foreign-invested enterprises shall report investment information in a timely manner, follow the principles of truthfulness, accuracy and completeness, and shall not make false or misleading reports or have major omissions. Where a foreign-invested enterprise invests (including multi-level investment) to establish an enterprise within the territory of the PRC, after handling registration and filing and submitting annual report information to the market regulation department, the relevant information shall be pushed by the market regulation department to the competent commercial department.

Laws and Regulations on General Food Safety

Food Safety

On February 28, 2009, the NPC Standing Committee promulgated the Food Safety Law of the People’s Republic of China (《中華人民共和國食品安全法》) (the “**Food Safety Law**”), which was most recently amended on September 12, 2025 and will be implemented on December 1, 2025. On October 11, 2019, the State Council promulgated the Regulations on the Implementation of the Food Safety Law of the People’s Republic of China (2019 Revision) (《中華人民共和國食品安全法實施條例(2019修訂)》) (the “**Regulations on the Implementation of the Food Safety Law**”), which came into effect on December 1, 2019. According to the Food Safety Law and the Regulations on the Implementation of the Food Safety Law, food producers and operators shall engage in production and business activities in accordance with laws, regulations and food safety standards, establish and improve a food safety management system, take effective measures to prevent and control food safety risks, and ensure food safety.

According to the Food Safety Law, the State Council and its relevant departments shall assume supervisory responsibilities related to food safety. The State Council shall establish a Food Safety Committee. The food safety supervision and administration department of the State Council shall implement supervision and administration of food production and business activities. The health administration department of the State Council shall organize and carry out food safety risk monitoring and risk assessment, and shall, in conjunction with

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the food safety supervision and administration department of the State Council, formulate and publish national food safety standards. Food safety standards are mandatory standards. No other mandatory food standards shall be formulated other than food safety standards. Other relevant departments of the State Council shall undertake their respective duties related to food safety.

In addition, the State has established a whole-process food safety traceability system. According to the above-mentioned relevant laws and regulations, food producers and operators shall establish a food safety traceability system to ensure that food is traceable. The State encourages food producers and operators to use information technology to collect and retain production and operation information and establish a food safety traceability system. The food safety supervision and administration department of the State Council shall, together with the agricultural administration department of the State Council and other relevant departments, establish a collaborative mechanism for whole-process food safety traceability.

Food Label Management

According to the Food Safety Law, the packaging of pre-packaged food shall have labels. The label shall indicate the following items:

- (i) name, specification, net content, and production date;
- (ii) list of ingredients or components;
- (iii) name, address, and contact information of the producer;
- (iv) shelf life;
- (v) product standard code;
- (vi) storage conditions;
- (vii) the generic names of the food additives used as specified in national standards;
- (viii) production license number;
- (ix) other matters that are required to be indicated by laws, regulations or food safety standards.

Where national food safety standards provide otherwise for matters to be indicated on labels, such provisions shall prevail.

Product Quality

According to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), as amended by the NPC Standing Committee on December 29, 2018 and effective from the same date, producers shall:

- (i) be responsible for the quality of the products they produce;
- (ii) not produce products that are explicitly eliminated by the State;
- (iii) not forge the origin, or forge or counterfeit the factory name or address of others; not forge or counterfeit quality marks such as certification marks; not adulterate or mix impurities, not pass off fake products as genuine, or shoddy products as good quality ones, and not pass off substandard products as qualified ones;
- (iv) and ensure that the packaging for fragile, flammable, explosive, toxic, corrosive, radioactive, and other dangerous goods, as well as for products that cannot be

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inverted during storage and transportation or have other special requirements, meets the corresponding quality requirements and, in accordance with relevant regulations, bears warning marks or Chinese warning instructions indicating storage and transportation precautions.

If a defective product causes personal injury or damage to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product. If substandard products are produced or sold, an order shall be issued to stop production and sales, the illegally produced and sold products shall be confiscated, and a fine shall be imposed; any illegal income derived therefrom shall also be confiscated; in serious cases, the business license shall be revoked; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

Pursuant to the Civil Code of the People’s Republic of China (《中華人民共和國民法典》) (the “**Civil Code**”), promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, if a defective product causes harm to others, the injured party may request compensation from the producer or the seller of the product. Where a producer or seller continues to produce or sell a product despite knowing of a defect, or fails to take effective remedial measures in accordance with the provisions of the Civil Code, thereby causing death or serious health damage to others, the injured party is entitled to claim corresponding punitive damages. If a product is defective due to the fault of a third party, such as a transporter or warehouser, causing harm to others, the producer or seller, after paying compensation, has the right of recourse against the third party.

Protection of Consumer Rights and Interests

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》), as amended by the SCNPC on October 25, 2013 and effective from March 15, 2014, business operators shall ensure that the goods or services they provide meet the requirements for protecting personal and property safety. When providing consumers with information about the quality, performance, purpose, and period of validity of goods or services, business operators shall be truthful and comprehensive, and shall not engage in false or misleading promotion. In case of violation of relevant provisions, business operators may bear civil liability (such as refunding payments, compensating for losses), administrative penalties (such as warnings, confiscation of illegal income, fines, orders to suspend business for rectification, revocation of business licenses); If a business operator infringes upon the legitimate rights and interests of consumers and constitutes a crime, its criminal liability may be pursued in accordance with the law.

According to the E-commerce Law of the People’s Republic of China (《中華人民共和國電子商務法》), which came into effect on January 1, 2019, e-commerce operators refer to natural persons, legal persons and unincorporated organizations that engage in business activities of selling goods or providing services through information networks such as the Internet, including e-commerce platform operators, operators on platforms, and e-commerce operators who sell goods or provide services through self-built websites or other network services. When engaging in business activities, e-commerce operators shall follow the principles of voluntariness, equality, fairness, and good faith, abide by laws and business ethics, participate in market competition fairly, fulfill obligations in respect of consumer rights and interests protection, environmental protection, intellectual property protection, cybersecurity and personal information protection, assume responsibility for product and service quality, and accept supervision from the government and society.

Laws and Regulations on the Production and Sale of Dairy Products

Food Production License

According to the Administrative Measures for Food Production Licensing (《食品生產許可管理辦法》), promulgated by the SAMR on January 2, 2020 and effective from March 1, 2020, entities engaged in food production activities within the PRC must obtain a food production license. Food production licensing implements the “one enterprise, one license”

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principle, meaning that the same food producer engaged in food production activities shall obtain one food production license.

Food producers shall hang or display the original food production license in a prominent position at the production site. If the licensed items specified in the food production license need to be changed, the producer shall apply to the original issuing market supervision and administration department for the change within 10 working days after the change occurs. If a food producer relocates its production site, it shall re-apply for a food production license.

Food Business License

According to the Administrative Measures for Food Business Licensing and Filing (《食品經營許可和備案管理辦法》), promulgated by the SAMR on June 15, 2023 and effective from December 1, 2023, entities engaged in food sales and catering services activities within the PRC shall obtain a food business license in accordance with the law. The issuance date of a food business license is the date on which the licensing decision is made, and its validity period is five years.

Food business operators shall hang or display the original paper food business license or display its electronic certificate in a prominent position at the business premises. If the matters specified in the food business license change, the food business operator shall apply to the original issuing market supervision and administration department for a change in the food business license within ten working days after the change. If a food business operator relocates its address and no longer engages in food business activities at the original licensed business premises, it shall re-apply for a food business license.

Units that only engage in the sale of pre-packaged food must file with the local market supervision and administration department at or above the county level. Those who only sell pre-packaged food shall file with the local market supervision and administration department at or above the county level where they are located. If a food business operator who only sells pre-packaged food adds other food business items that require a food business license after filing, it shall obtain a food business license in accordance with the law; The filing shall become invalid automatically from the date of obtaining the food business license. If a food business operator has already obtained a food business license and adds the sale of pre-packaged food, no separate filing is required.

Production and Purchase of Raw Milk

According to the provisions of the Administrative Measures for the Production and Purchase of Raw Milk (《生鮮乳生產收購管理辦法》), promulgated and implemented by the former Ministry of Agriculture (now the Ministry of Agriculture and Rural Affairs) on November 7, 2008, raw milk that is produced, purchased, stored, transported, and sold shall comply with national standards for dairy product quality and safety. Units or individuals engaged in dairy farming shall not add animal-derived ingredients (except for milk and dairy products) to feed, feed additives, or veterinary drugs, and shall not add substances that are directly or potentially harmful to animals and humans. Dairy product production enterprises, dairy farms, and professional dairy farmer production cooperatives that establish raw milk purchase stations shall meet the statutory conditions, apply to the competent department of animal husbandry and veterinary medicine of the county-level people's government where they are located, and obtain a raw milk purchase license.

Quality of Dairy Products

According to the provisions of the Regulations on the Supervision and Administration of Dairy Product Quality and Safety (《乳品質量安全監督管理條例》), promulgated and implemented by the State Council on October 9, 2008, dairy farmers, raw milk purchasers, dairy product producers and sellers are responsible for the quality and safety of the dairy products they produce, purchase, transport, and sell, and are the primary persons responsible for the quality and safety of dairy products. It is prohibited to add any substance during the

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production, purchase, storage, transportation, and sale of raw milk; or to add non-food chemical substances or any other substances that may be harmful to human health during the production of dairy products.

Laws and Regulations on Land

The Land Administration Law of the People’s Republic of China (《中華人民共和國土地管理法》) (the “**Land Administration Law**”), most recently amended by the SCNPC on August 26, 2019 and effective from January 1, 2020, stipulates that there are two types of land ownership in the PRC. Land in urban areas of cities is owned by the State. Land in rural and suburban areas of cities is collectively owned by farmers, except for that which is stipulated by law to be owned by the State; Homesteads, private plots, and private hills are collectively owned by farmers.

Land Use Rights

According to the Land Administration Law (《土地管理法》), the PRC implements a system of land use control, classifying land into agricultural land, construction land, and unused land. All units and individuals must use land in strict accordance with the purposes determined by the overall land use plan. The registration of land ownership and land use rights shall be carried out in accordance with the laws and administrative regulations concerning real estate registration. The ownership and use rights of land registered in accordance with the law are protected by law, and no unit or individual may infringe upon them.

According to the Provisional Regulations on the Grant and Transfer of the Right to Use State-owned Land in Urban Areas (2020 Revision) (《城鎮國有土地使用權出讓和轉讓暫行條例(2020 修訂)》), promulgated and implemented by the State Council on November 29, 2020, the State implements a system for the grant and transfer of the right to use State-owned land. Land users pay a fee for the grant of land use rights to the State, and the State grants the land use rights to the land users for a certain period of years. A land user who has obtained the land use right may transfer, lease, mortgage or use the land in other commercial ways within the term of use. The grant of land use rights requires the local land administration department and the land user to sign a grant contract. The land user must pay the land grant fee as stipulated in the grant contract. After paying the full grant fee, the land user shall register with the land administration department and obtain a land use certificate to prove that the land use right has been obtained.

According to the Provisional Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on November 24, 2014, amended on March 10, 2024 and effective from May 1, 2024, and the Detailed Rules for the Implementation of the Provisional Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), promulgated by the Ministry of Natural Resources on January 1, 2016, amended on May 9, 2024 and effective from the same date, the State implements a unified real estate registration system.

Facility Agriculture Land

According to the Notice of the Ministry of Natural Resources and the Ministry of Agriculture and Rural Affairs on Issues Concerning the Administration of Facility Agriculture Land (Zi Ran Zi Gui [2019] No. 4) (《自然資源部、農業農村部關於設施農業用地管理有關問題的通知》(自然資規〔2019〕4號)) (promulgated by the Ministry of Natural Resources and the Ministry of Agriculture and Rural Affairs on December 17, 2019 and effective on the same day for a period of 5 years), the nature of facility agriculture land is different from that of non-agricultural construction project land and is managed as agricultural land. The notice stipulates the relevant filing procedures for facility agriculture land. After its expiration and up to the Latest Practicable Date, no new laws or regulations on the management of facility agriculture land have been promulgated.

State-owned Land

If an enterprise needs to use State-owned land, it must obtain it through grant, allocation, lease, or other means. The most common way is for an enterprise to sign a State-owned land grant contract and pay the land grant fee.

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In certain circumstances, enterprises may also lease State-owned land. According to the Several Opinions on Regulating the Leasing of State-owned Land (《規範國有土地租賃若干意見》), which came into effect on July 27, 1999, land users can sign a lease contract with the local competent land administration department and pay rent.

Land Collectively Owned by Farmers

According to the Land Administration Law (《土地管理法》), land collectively owned by farmers which belongs to the village farmers’ collective by law shall be operated and managed by the village collective economic organization or the villagers’ committee.

According to the Rural Land Contracting Law of the People’s Republic of China (《中華人民共和國農村土地承包法》) (the “**Rural Land Contracting Law**”), as amended by the NPC Standing Committee on December 29, 2018 and effective from January 1, 2019, the PRC implements a rural land contracting and operation system. A rural land contractor can be a member of the economic organization that owns or uses the relevant land, or a unit or individual outside the collective economic organization. The contract term for cultivated land is thirty years, for grassland is thirty to fifty years, and for forest land is thirty to seventy years.

According to the Rural Land Contracting Law (《農村土地承包法》), contracting out rural land to units or individuals outside the collective economic organization must follow relevant procedures. It must be approved in advance by more than two-thirds of the members of the collective economic organization or more than two-thirds of the villagers’ representatives, and be reported to the township (town) people’s government for approval.

Transfer of Rural Land

The Rural Land Contracting Law also stipulates that a rural land contractor may transfer its land contracting and operation rights by leasing (subcontracting) or other means. The transfer of land management rights shall follow (among others) the following principles:

- (i) in accordance with the law, on a voluntary and paid basis, and no organization or individual may compel or obstruct the transfer of land management rights;
- (ii) the nature of the ownership or the agricultural use of the contracted land shall not be changed, and the comprehensive agricultural production capacity and the agricultural ecological environment shall not be damaged;
- (iii) the transfer term shall not exceed the remaining term of the contract period;
- (iv) the transferee must have agricultural operation capacity or qualifications;
- (v) under the same conditions, members of the collective economic organization shall have priority.

According to the Administrative Measures for the Transfer of Rural Land Management Rights (《農村土地經營權流轉管理辦法》) (the “**Administrative Measures for the Transfer of Land Management Rights**”), promulgated by the Ministry of Agriculture and Rural Affairs on January 26, 2021 and effective from March 1, 2021, a contractor entrusting a third party to transfer contracted land shall issue a letter of entrustment for the transfer. Without a letter of entrustment for the transfer, no one has the right to decide on the transfer of contracted rural land. The transfer of contracted land shall be filed with the contract-issuing party and the township (town) local government. The transferee’s re-transfer of the land transferred by the contractor shall be subject to the consent of the original contractor. The Administrative Measures for the Transfer of Land Management Rights (《土地經營權流轉辦法》) further provide that the township (town) government shall establish a review system for the transfer of land management rights by enterprises.

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Laws and Regulations on Animal Husbandry and Breeding

Filing of Livestock and Poultry Farms

According to the Animal Husbandry Law of the People’s Republic of China (《中華人民共和國畜牧法》) (the “**Animal Husbandry Law**”), as amended by the SCNPC on October 30, 2022 and effective from March 1, 2023, the state regulates the production and operation activities of the animal husbandry industry, ensures the quality and safety of livestock and poultry products, protects and rationally utilizes livestock and poultry genetic resources, cultivates and promotes excellent breeds of livestock and poultry, and promotes the high-quality development of the animal husbandry industry. The founder of a livestock and poultry farm shall file the name, breeding address, livestock and poultry breeds, and breeding scale of the farm with the competent agricultural and rural affairs department of the county-level people’s government where the farm is located to obtain a livestock and poultry identification code.

The detailed rules on the administration of livestock and poultry identification and breeding archives are governed by the Administrative Measures for the Identification and Breeding Archives of Livestock and Poultry (《畜禽標識和養殖檔案管理辦法》), promulgated by the former Ministry of Agriculture (now the Ministry of Agriculture and Rural Affairs, the “**MARA**”) on June 26, 2006 and effective from July 1, 2006.

Production and Operation License for Breeding Livestock and Poultry

According to the provisions of the Animal Husbandry Law, units or individuals engaged in the production and operation of breeding livestock and poultry or the production and operation of commercial generation piglets and chicks shall obtain a production and operation license for breeding livestock and poultry.

To apply for a production and operation license for breeding livestock and poultry, the following conditions shall be met:

- (i) The breeding livestock and poultry produced and operated are breeds or matching lines approved or identified by the National Commission of Livestock and Poultry Genetic Resources, or are overseas breeds or matching lines introduced with approval;
- (ii) There are animal husbandry and veterinary technicians commensurate with the scale of production and operation;
- (iii) There are breeding facilities and equipment commensurate with the scale of production and operation;
- (iv) The epidemic prevention conditions for breeding livestock and poultry as stipulated by laws, administrative regulations, and the competent agricultural and rural affairs department of the State Council are met;
- (v) There is a complete quality management and breeding record system;
- (vi) Other conditions stipulated by laws and administrative regulations.

Animal Epidemic Prevention

According to the Animal Epidemic Prevention Law of the PRC (《中華人民共和國動物防疫法》) (the “**Animal Epidemic Prevention Law**”), which was approved by the SCNPC on 3 July 1997 and implemented on 1 January 1998, and last revised on 22 January 2021 and implemented on 1 May 2021, to operate an animal farm, animal isolation site, animal slaughtering and processing place, as well as an innocuous treatment facility of animals and animal products shall apply to the competent agricultural and rural authorities of the local government at or above the county level for a certificate for animal epidemic prevention

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conditions (動物防疫條件合格證). Animal farming sites, animal isolation sites, animal slaughtering and processing place and innocuous treatment facilities of animals and animal products shall comply with the following provisions:

- (1) The facilities are located at a distance from public places, such as residential areas, sources of drinking water, schools and hospitals as prescribed by the competent department of agriculture and rural affairs of the State Council;
- (2) The enclosure and isolation of the production and operation area and the engineering design and relevant processes shall meet the requirements for animal epidemic prevention;
- (3) There shall be sewage and waste treatment facilities commensurate with their scale, the facilities and equipment for the innocuous treatment or refrigeration of animals dead of diseases and diseased animal products, and the facilities and equipment for cleaning and disinfection;
- (4) There shall be licensed veterinarians or technicians for animal epidemic prevention commensurate with the scale;
- (5) There should be comprehensive animal prevention systems including those relating to isolation and disinfection, purchase and sales records and routine inspection;
- (6) Other conditions for animal epidemic prevention as prescribed by the competent department of agriculture and rural affairs of the State Council shall be met.

In addition to meeting the conditions prescribed in the preceding provisions, an innocuous treatment facility of animals and animal products shall be pathogen detection equipment, detection capability, and special vehicles in compliance with the requirements for animal epidemic prevention.

Pursuant to the Measures for the Examination of Animal Epidemic Prevention Conditions (《動物防疫條件審查辦法(2022)》), which was issued by the MARA on 7 September 2022 and implemented on 1 December 2022, where an animal farm, animal isolation site, animal slaughtering and processing place, as well as an innocuous treatment facility of animals and animal products is to be established, a site selection request shall be submitted to the competent department of agriculture and rural affairs of the local county-level government. After a certificate for animal epidemic prevention conditions is obtained, in case of any address or business scope changes, a new certificate shall be applied, the original certificate for animal epidemic prevention conditions concurrently shall be returned. Any alteration of the layout, facilities, equipment or systems that may cause changes in the conditions for animal epidemic prevention shall be reported to the original certificate-issuing authority 30 days in advance. In case of any changes in the name of the entity or its legal representative (responsible person), such certificate for animal epidemic prevention conditions shall be applied for modifying within 15 days after the change. The certificate holder shall, by the end of March each year, report the status of animal epidemic prevention of the previous year and the implementation of the epidemic prevention systems to the competent agriculture and rural affairs departments of the local county-level government.

Failure to comply with the above provisions related to the certificate for animal epidemic prevention conditions may result in administrative penalties, including fines and orders to make corrections.

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Water Resources

According to the Water Law of the People’s Republic of China (《中華人民共和國水法》), promulgated on January 21, 1988 and last amended and implemented on July 2, 2016, the Regulations on the Administration of Water Abstraction Permits and the Collection of Water Resource Fees, promulgated on February 21, 2006 and amended and implemented on March 1, 2017, and the Administrative Measures for Water Abstraction Permit, promulgated on April 9, 2008 and amended and implemented on December 22, 2017, water abstraction refers to the direct abstraction of water resources from rivers, lakes, or underground using water abstraction projects or facilities. Except for certain circumstances, any unit or individual that abstracts water resources shall apply for and obtain a water abstract license, pay water resource fees, and obtain the right to abstract water. Only after the water abstraction application is approved by the approval authority can the applicant construct water abstraction projects or facilities. The validity period of a water abstract license is generally five years, with a maximum of no more than ten years. The amount of water resource fees payable is determined based on the water resource fee collection standards at the location of the water intake and the actual amount of water abstracted. For water abstraction exceeding the plan or quota, water resource fees shall be collected progressively on the excess part.

Laws and Regulations on Real Estate

Pursuant to the Law of the People’s Republic of China on the Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994, amended on August 26, 2019 and effective from January 1, 2020, when leasing a house, the lessor and the lessee shall sign a written lease contract, stipulating the lease term, lease purpose, lease price, repair responsibilities and other terms, as well as other rights and obligations of both parties, and register and file with the real estate administration department.

Pursuant to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》), promulgated by the MHURD on December 1, 2010 and effective from February 1, 2011, within 30 days after the conclusion of a housing lease contract, the parties to the housing lease shall go to the competent construction (real estate) department of the people’s government of the municipality directly under the Central Government, city, or county where the leased premises are located to handle the registration and filing of the housing lease. In case of violation, the competent construction (real estate) department of the people’s government of the municipality directly under the Central Government, city, or county shall order correction within a time limit; if an individual fails to make corrections by the deadline, a fine of not more than RMB1,000 shall be imposed; if a unit fails to make corrections by the deadline, a fine of not less than RMB1,000 and not more than RMB10,000 shall be imposed.

Laws and Regulations on Construction Projects

Construction Land Planning Permit

According to the Urban and Rural Planning Law of the People’s Republic of China (《中華人民共和國城鄉規劃法》) (the “**Urban and Rural Planning Law**”), as amended and implemented by the SCNPC on April 23, 2019, a construction land planning permit must be obtained for the right to use State-owned land acquired through grant and allocation.

Construction Project Planning Permit

Pursuant to the Urban and Rural Planning Law (《城鄉規劃法》), for the construction of buildings, structures, roads, pipelines and other projects within urban and town planning areas, the construction entity or individual shall apply for a construction project planning permit from the competent urban and rural planning department of the city or county people’s government, or from the town people’s government designated by the people’s government of the province, autonomous region or municipality directly under the Central Government.

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Construction Work Permit

Pursuant to the Construction Law of the People's Republic of China (《中華人民共和國建築法》), as amended and implemented by the SCNPC on April 23, 2019, before the commencement of a construction project, the construction entity shall, in accordance with the relevant national regulations, apply to the competent construction administrative department of the people's government at or above the county level where the project is located for a construction permit; however, this excludes minor works below the threshold determined by the competent construction administrative department under the State Council. The construction entity shall commence work within three months from the date of obtaining the construction permit. If work cannot be started on schedule for any reason, an application for extension shall be made to the issuing authority. If work is not commenced and no extension is applied for, or if the extension period is exceeded, the construction permit shall be automatically invalidated.

Completion Acceptance of Construction Projects

According to the Administrative Measures for the Filing of Completion Acceptance of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), promulgated and implemented by the MHURD on October 19, 2009, a construction project can only be delivered for use after passing the completion acceptance. The construction entity shall, within 15 days from the date of passing the completion acceptance of the project, file with the competent construction department of the local people's government at or above the county level where the project is located.

Laws and Regulations on Environmental Protection and Safety

Environmental Protection

According to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989, amended on April 24, 2014 and effective from January 1, 2015, the Ministry of Ecology and Environment is authorized to promulgate national environmental quality and pollutant discharge standards and to supervise national environmental protection work. At the same time, local environmental protection authorities may formulate local pollutant discharge standards for items not specified in the national pollutant discharge standards; for items already specified in the national pollutant discharge standards, they may formulate local pollutant discharge standards that are stricter than the national standards. Accordingly, relevant enterprises must comply with both national and local standards. According to the Ecological Environment Code of the People's Republic of China (《中華人民共和國生態環境法典》), promulgated by the National People's Congress on March 12, 2026 and to be implemented on August 15, 2026, the relevant provisions on ecological and environmental protection will be subject to this code, and the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) will be repealed at the same time.

Environmental Impact Assessment

According to the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), as amended by the State Council on July 16, 2017 and effective from October 1, 2017, a construction entity shall, based on the degree of environmental impact of the construction project, submit an environmental impact report, an environmental impact report form, or fill in an environmental impact registration form. For construction projects for which an environmental impact report or an environmental impact report form is required by law, the construction entity shall submit the environmental impact report or environmental impact report form to the competent administrative department of environmental protection for approval before the commencement of construction. If the environmental impact assessment documents of a construction project have not been reviewed by the approval department in accordance with the law or have not been approved after review, the construction entity shall not commence construction. For construction projects for which an environmental impact registration form

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is required by law, the construction entity shall file the environmental impact registration form with the county-level competent administrative department of environmental protection where the project is located in accordance with the regulations of the competent administrative department of environmental protection under the State Council. According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), as amended and implemented by the SCNPC on December 29, 2018, the state implements classified management for the environmental impact assessment of construction projects based on the degree of their environmental impact. The construction entity shall prepare an environmental impact report, an environmental impact report form, or fill in an environmental impact registration form based on the degree of the construction project's impact on the environment. According to the Ecological Environment Code of the People's Republic of China (《中華人民共和國生態環境法典》), promulgated by the National People's Congress on March 12, 2026 and to be implemented on August 15, 2026, the relevant provisions on ecological and environmental impact assessment will be subject to this code, and the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) will be repealed at the same time.

Completion Acceptance

The Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects, promulgated and implemented by the former Ministry of Environmental Protection (建設項目竣工環境保護驗收暫行辦法) (now the Ministry of Ecology and Environment) on November 20, 2017, regulate the procedures and standards for construction entities to independently carry out environmental protection acceptance after the completion of construction projects.

Fire Safety

Pursuant to the Fire Control Law of the People's Republic of China (《中華人民共和國消防法》), promulgated by the SCNPC on April 29, 1998 and most recently amended and implemented on April 29, 2021, the fire control design and construction of a construction project must comply with the national technical standards for fire control in engineering construction. The developer, designer, contractor, and engineering supervision units are legally responsible for the quality of the fire control design and construction of the construction project. Special construction projects may not be constructed if they have not been reviewed in accordance with the law or have failed the review; For other construction projects, if the construction unit fails to provide fire control design drawings and technical materials that meet construction needs, the relevant departments shall not issue a construction permit or approve a work commencement report. Construction projects that are subject to fire control acceptance inspection by law are prohibited from being put into use if they have not undergone or have failed the fire control acceptance inspection; Other construction projects that fail the random inspection in accordance with the law shall be suspended from use.

Waste Discharge Management

According to the Classified Administration Catalogue of Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), promulgated and implemented by the Ministry of Ecology and Environment on December 20, 2019, the state implements key management, simplified management, and registration management of pollutant discharge permits for enterprises, public institutions, and other producers and operators that discharge pollutants, based on factors such as the amount of pollutants generated, the amount of pollutants discharged, and the degree of environmental impact. Pollutant discharging units subject to registration management are not required to apply for and obtain a pollutant discharge permit.

According to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》), promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, classified management of pollutant discharge permits is implemented for pollutant discharging units based on factors such as the amount of pollutants generated, the

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amount of pollutants discharged, and the degree of environmental impact: (1) for pollutant discharging units that generate and discharge a large amount of pollutants or have a significant impact on the environment, key management of pollutant discharge permits shall be implemented; (2) for pollutant discharging units that generate and discharge a small amount of pollutants or have a minor impact on the environment, simplified management of pollutant discharge permits shall be implemented. Enterprises, public institutions and other producers and operators that generate and discharge a very small amount of pollutants and have a very minor impact on the environment shall fill in a pollutant discharge registration form and are not required to apply for and obtain a pollutant discharge permit.

Work Safety

Pursuant to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), promulgated on June 29, 2002, amended on June 10, 2021, and implemented on September 1, 2021, production and business units shall establish, improve, and implement a company-wide work safety responsibility system and work safety rules and regulations, increase investment in and guarantee the provision of funds, materials, technology, and personnel for work safety, and improve work safety conditions. Production and business units shall provide work safety education and training to their employees to ensure that they possess the necessary work safety knowledge, are familiar with relevant work safety rules, regulations and safe operation procedures, master the safe operation skills for their positions, understand accident emergency response measures, and are aware of their rights and obligations in terms of work safety. Employees who have not passed work safety education and training are not permitted to work at their posts.

Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), promulgated by the SCNPC on November 7, 2016, implemented on June 1, 2017, amended on October 28, 2025 and effective from January 1, 2026, those who construct or operate networks or provide services via networks shall, in accordance with laws, regulations and mandatory requirements of national standards, take technical measures and other necessary measures to ensure the secure and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal and criminal activities on the network, and maintain the integrity, confidentiality, and availability of network data.

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated by the SCNPC on June 10, 2021 and effective from September 1, 2021, the State establishes a data classification and hierarchical protection system. Data shall be subject to classified and hierarchical protection based on its importance in economic and social development, and the degree of harm to national security, public interests, or the legitimate rights and interests of individuals or organizations once it is tampered with, destroyed, leaked, or illegally obtained or used. Data processing activities shall be carried out in accordance with the provisions of laws and regulations, establishing and improving a full-process data security management system, organizing data security education and training, and taking corresponding technical measures and other necessary measures to ensure data security.

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》), promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021, provides that (i) the processing of personal information shall have a clear legal basis (such as obtaining individual consent or being necessary for the performance of a contract to which the individual is a party, among others); (ii) the processing of personal information shall have a clear and reasonable purpose, be directly relevant to the processing purpose, and be conducted in a manner that has the minimum impact on the rights and interests of individuals; (iii) the collection of personal information shall be limited to the minimum scope necessary to achieve the processing purpose, so as to avoid excessive collection of personal information. Different types of personal information and the processing thereof are subject to various rules regarding consent, transfer and security. Entities that process personal information are responsible for their personal information

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processing activities and shall take necessary measures to safeguard the security of the personal information they process. Otherwise, the entities processing personal information may be ordered to make corrections, suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

The Cyberspace Administration of China and other PRC regulatory authorities issued the Measures for Cybersecurity Review (《網絡安全審查辦法》) on December 28, 2021, which came into effect on February 15, 2022. According to the measures, where operators of critical information infrastructure procure network products and services, or network platform operators carry out data processing activities that affect or may affect national security, they shall undergo a cybersecurity review.

According to the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024 and effective from January 1, 2025. Where network data processors carry out data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant regulations. Where important data collected and generated by network data processors during their operations within the territory of the People's Republic of China indeed needs to be provided overseas, it shall pass a data export security assessment organized by the national cyberspace administration department. If a network data processor identifies and declares important data in accordance with relevant state regulations, but has not been informed or publicly announced by the relevant regions or departments that such data is important data, it is not required to declare it as important data for a data export security assessment.

Laws and Regulations on Intellectual Property

Trademarks

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982 and amended on April 23, 2019, and implemented on November 1, 2019, the period of validity of a registered trademark is ten years, calculated from the date of approval of the registration. The registrant shall handle renewal procedures within the twelve months prior to the expiration date. A grace period of six months may be granted if the registrant fails to do so during this period. The validity period of each renewal of registration is ten years, calculated from the day following the expiration of the previous validity period of the trademark. If the renewal procedures are not completed upon expiry, its registered trademark shall be cancelled. The administrative department for industry and commerce has the authority to investigate and handle any act of infringing the exclusive right to use a registered trademark in accordance with the law; If a crime is suspected, the case shall be promptly transferred to the judicial authorities for handling. The said law was amended on June 26, 2026, and will be implemented on January 1, 2027.

Patents

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984, and amended on October 17, 2020, and implemented on June 1, 2021, and the Implementing Regulations 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》), promulgated by the State Council on June 15, 2001, amended on December 11, 2023 and implemented on January 20, 2024, the term of an invention patent right is twenty years, the term of a utility model patent right is ten years, and with effect from June 1, 2021, the term of a design patent right for an application filed on or after June 1, 2021 has been extended to fifteen years (calculated from the date of application).

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Copyrights

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and amended on November 11, 2020, and implemented on June 1, 2021, and the Regulations for the Implementation of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002, amended on January 30, 2013 and implemented on March 1, 2013, copyright owners enjoy various personal and property rights, including the rights of publication, authorship, reproduction, and dissemination via information networks.

To further implement the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991, amended on January 30, 2013 and implemented on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on April 6, 1992, amended on June 18, 2004 and implemented on July 1, 2004, PRC citizens, legal persons or other organizations shall enjoy the copyright in the software they have developed, whether published or not. A software copyright owner may apply for registration with a software registration agency recognized by the copyright administrative department of the State Council. The registration certificate issued by the software registration agency serves as preliminary proof of the registered matters. The National Copyright Administration is in charge of the nationwide administration of software copyright registration and has designated the Copyright Protection Center of China as the software registration agency.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, those who establish domain name root servers and their operating institutions, domain name registration management institutions, and domain name registration service institutions within the PRC shall obtain a license from the MIIT or the communications administration departments of provinces, autonomous regions, or municipalities directly under the Central Government in accordance with these measures. Domain name registration services are, in principle, based on a "first-come, first-served" basis.

Laws and Regulations on Labor and Social Security

Labor

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and amended and implemented on December 29, 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and implemented on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), promulgated and implemented by the State Council on September 18, 2008, an employer shall enter into a written labor contract with an employee to establish a labor relationship. Wages shall not be lower than the local minimum wage standards. Employers shall establish and improve labor rules and regulations in accordance with the law to ensure that laborers enjoy labor rights and perform labor obligations.

Social Insurance

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), promulgated by the SCNPC on October 28, 2010 and amended and implemented on December 29, 2018, and the Provisional Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》), promulgated by the State Council on January 22, 1999 and amended and implemented on March 24, 2019, employers shall pay social insurance premiums for their employees, including basic pension

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insurance, unemployment insurance, basic medical insurance, work-related injury insurance, and maternity insurance. Where an employer fails to pay the social insurance premiums in full and on time, the social insurance premium collection agency shall order it to pay or make up the shortfall within a time limit, and a late payment fee of 0.05% per day shall be imposed from the date of default; if the payment is still not made after the deadline, the relevant administrative department shall impose a fine of not less than one time but not more than three times the amount in arrears.

Housing Provident Fund

According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999 and amended and implemented on March 24, 2019, an employer shall handle the housing provident fund contribution registration at the housing provident fund management center, and after review by the housing provident fund management center, handle the procedures for setting up housing provident fund accounts for its employees at an entrusted bank. Employers shall also make timely and full contributions to the housing provident fund for their employees. If an employer violates the above provisions by failing to handle the housing provident fund contribution registration or failing to handle the procedures for setting up housing provident fund accounts for its employees, the housing provident fund management center shall order it to do so within a time limit; if it fails to do so within the time limit, a fine of not less than RMB10,000 and not more than RMB50,000 shall be imposed. If an employer violates the regulations by failing to make timely or full housing provident fund contributions, the housing provident fund management center has the right to order it to make the payment within a specified period; if it still fails to make the payment upon expiry of the period, an application may be made to a people's court for compulsory enforcement.

Laws and Regulations on Taxation

Enterprise Income Tax (EIT)

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "EIT Law"), promulgated by the SCNPC on March 16, 2007 and amended and implemented on December 29, 2018, and the Regulations on the Implementation of the EIT Law of the People's Republic of China (《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, amended on December 6, 2024 and implemented on January 20, 2025, an enterprise established within the PRC in accordance with the law, or an enterprise established under foreign (regional) law but whose de facto management body is within the PRC, is considered a resident enterprise. A resident enterprise shall pay EIT at a rate of 25% on any income derived from sources within or outside the PRC. The State grants preferential EIT treatment to industries and projects that it prioritizes for support and encourages for development. For High and New Technology Enterprises supported by the state, a reduced EIT rate of 15% is applied. In addition, eligible small low-profit enterprises are entitled to certain preferential tax treatment.

According to the Announcement on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (《關於小微企業和個體工商戶所得稅優惠政策的公告》) issued on March 26, 2023 and the Announcement on Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) promulgated on August 2, 2023 and implemented from January 1, 2023, the policy for small low-profit enterprises with an annual taxable income of less than RMB1 million, under which their taxable income is calculated at 25% of the actual amount and EIT is paid at a rate of 20%, has been extended to December 31, 2027. From January 1, 2023 to December 31, 2027, a 50% reduction shall be applied to the resource tax (excluding water resource tax), urban maintenance and construction tax, real estate tax, urban and township land use tax, stamp duty (excluding securities transaction stamp duty), farmland occupation tax, education surcharge, and local education surcharge for small-scale value-added tax taxpayers, small low-profit enterprises, and individual industrial and commercial households.

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According to the EIT Law, income derived from projects in agriculture, forestry, animal husbandry, and fishery may be exempted from or subject to a reduction in EIT. According to the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得稅法實施條例》), income derived from the breeding of livestock and poultry and the preliminary processing of agricultural products may be exempted from EIT.

According to the Announcement on the Continuation of the Enterprise Income Tax Policy for the Western Development (《關於延續西部大開發企業所得稅政策的公告》), issued by the Ministry of Finance, the SAT, and the NDRC on April 23, 2020 and implemented on January 1, 2021, from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western regions shall be subject to EIT at a reduced rate of 15%.

Value-Added Tax

According to the Provisional Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》), promulgated by the State Council on December 13, 1993 and amended and implemented on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance and the SAT on December 25, 1993, amended on October 28, 2011 and implemented on November 1, 2011, entities and individuals that sell goods, provide processing, repair and replacement services, sell services, intangible assets or real estate, or import goods within the PRC are taxpayers of value-added tax. Unless otherwise provided in the foregoing regulations, the applicable value-added tax rate for the sale or import of goods was generally 17%.

According to the Notice on Adjusting Value-Added Tax Rates (《關於調整增值稅稅率的通知》), promulgated by the Ministry of Finance and the SAT on April 4, 2018 and implemented on May 1, 2018, where a taxpayer engaged in a value-added tax-taxable sale or imported goods to which the 17% or 11% tax rates were originally applicable, the tax rates were adjusted to 16% and 10%, respectively.

According to the provisions of the Announcement on Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), promulgated by the Ministry of Finance, the SAT and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, where a taxpayer engaged in a value-added tax-taxable sale or imported goods to which the 16% tax rate was originally applicable, the value-added tax rate was adjusted to 13%; where the 10% tax rate was originally applicable, the value-added tax rate was adjusted to 9%.

According to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), promulgated by the SCNPC on December 25, 2024 and to be implemented on January 1, 2026, for general value-added tax taxpayers selling goods, labor services, tangible movable property leasing services or importing goods, the value-added tax rate is adjusted to 13%; for general value-added tax taxpayers selling transportation, postal, basic telecommunication, construction, and real estate leasing services, selling real estate, and transferring land use rights, the value-added tax rate is adjusted to 9%. From the date of implementation of the Value-Added Tax Law of the People's Republic of China (i.e., January 1, 2026), the Provisional Regulations on Value-Added Tax of the People's Republic of China will be repealed simultaneously.

According to the Provisional Regulations on Value-Added Tax of the People's Republic of China and the Value-Added Tax Law of the People's Republic of China, self-produced agricultural products of an enterprise are exempt from value-added tax. The Notice on the Exemption of Feed Products from Value-Added Tax (《關於飼料產品免徵增值稅問題的通知》) provides that single bulk feed, mixed feed, compound feed, compound premix and concentrated feed are exempt from value-added tax.

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Regulations on Filing for Overseas Listing

According to the Securities Law of the People's Republic of China (《中華人民共和國證券法》), promulgated by the SCNPC on December 29, 1998, amended on December 28, 2019 and implemented on March 1, 2020, where a domestic enterprise directly or indirectly issues securities overseas, or lists its securities overseas, it shall comply with the relevant provisions of the State Council; For the subscription and trading of shares of domestic companies in foreign currencies, the specific measures shall be separately stipulated by the State Council. The CSRC is the securities regulatory authority established by the State Council, responsible for supervising and managing the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market. Currently, the overseas issuance of securities and listing by PRC domestic enterprises are primarily governed by the regulations and rules promulgated by the State Council and the CSRC.

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and its supporting guidelines, promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023, where a domestic enterprise directly or indirectly issues securities overseas or lists its securities for trading overseas, it shall file with the CSRC within 3 working days after submitting its application documents for overseas issuance and listing. Overseas issuance and listing shall be prohibited under any of the following circumstances:

- (i) where listing and financing are expressly prohibited by laws, administrative regulations, or relevant state provisions;
- (ii) the overseas issuance and listing are determined by the relevant competent departments of the State Council, after review in accordance with the law, to be likely to endanger national security;
- (iii) where the domestic enterprise or its controlling shareholder or de facto controller has committed criminal offenses such as corruption, bribery, embezzlement, misappropriation of property, or disruption of the socialist market economic order within the last 3 years;
- (iv) where the domestic enterprise is under investigation for suspected crimes or major violations of laws and regulations, and no clear conclusion has been reached;
- (v) there is a major ownership dispute over the equity held by the controlling shareholder or by a shareholder controlled by the controlling shareholder or de facto controller.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), promulgated by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented on March 31, 2023, domestic enterprises shall establish a confidentiality and archives system when offering and listing securities in overseas markets. Domestic enterprises include domestic joint stock limited companies that directly issue and list overseas and the domestic operating entities of entities that indirectly issue and list overseas.