

REGULATORY OVERVIEW

This section sets out a summary of certain aspects of the laws and regulations of the jurisdictions which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential [REDACTED] with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential [REDACTED]. [REDACTED] should note that the following summary is based on laws and regulations in force as at the date of this Document, which may be subject to change.

COMPANY AND FOREIGN INVESTMENT

The *Company Law of the People’s Republic of China* (《中華人民共和國公司法》) (the “**Company Law**”) was promulgated by the Standing Committee of the National People’s Congress (the “**NPC Standing Committee**”), most recently amended on December 29, 2023 and implemented on July 1, 2024. The Company Law applies to the establishment, corporate governance and management of companies and foreign-invested enterprises within the territory of the PRC. Pursuant to the Company Law, listed companies shall disclose information regarding their shareholders and ultimate controllers, which must be true, accurate and complete. The Company Law also prescribes the qualifications and duties of directors, supervisors and senior management personnel.

On March 15, 2019, the National People’s Congress (the “**NPC**”) adopted the *Foreign Investment Law of the People’s Republic of China* (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which came into effect on January 1, 2020. The Foreign Investment Law applies to foreign investment activities carried out within the PRC, including direct or indirect investment by foreign enterprises. In addition, foreign investors and foreign-invested enterprises in the PRC must comply with the *Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated by the National Development and Reform Commission and the Ministry of Commerce on September 6, 2024 and effective from November 1, 2024. The Negative List categorises foreign investment into three types: encouraged, restricted and prohibited. Industries not included in these categories are generally open to foreign investment, unless otherwise restricted by other laws and regulations in the PRC.

INDUSTRY POLICIES RELATING TO HEALTH TECHNOLOGY/SMART HEALTH WEARABLES

According to the Outline of the “*Healthy China 2030*” Plan (《「健康中國2030」規劃綱要》) issued by the CPC Central Committee and the State Council on October 25, 2016, the State will explore and promote the development of wearable devices, smart health electronic products and mobile health application services.

The *Special Action Plan to Boost Consumption* (《提振消費專項行動方案》), issued by the General Office of the CPC Central Committee and the General Office of the State Council on March 16, 2025, promotes the “Artificial Intelligence +” initiative to accelerate the development and application of new technologies and products such as autonomous driving, smart wearables, ultra-high-definition video, brain-computer interfaces, robotics and additive manufacturing, thereby opening new high-growth consumption sectors. It also launches a special action plan for health consumption.

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The *Opinions of the State Council on Deeply Implementing the “Artificial Intelligence +” Initiative* (《國務院關於深入實施「人工智能+」行動的意見》), issued on August 26, 2025, aim to promote intelligent connectivity of smart terminals, foster an ecosystem of smart products, and vigorously develop new-generation smart terminals such as intelligent connected vehicles, AI-enabled smartphones and computers, smart robots, smart homes and smart wearables, thereby creating an integrated, full-scenario intelligent interactive environment.

LAWS AND REGULATIONS RELATING TO MEDICAL DEVICES

Primary Regulatory Authorities

The major regulatory authorities governing the medical device industry in China include the National Medical Products Administration (“NMPA”), the National Development and Reform Commission.

The NMPA shall be mainly responsible for medical device safety supervision and administration, registration management, quality management, post-market risk management, supervision and inspection, and foreign exchange and cooperation in the fields of supervision and administration.

The National Development and Reform Commission shall be mainly responsible for implementing the industrial policies for the pharmaceutical industry, researching and formulating the development plan for the medical apparatus industry, guiding the structural adjustment of the industry and implementing administration of the industry.

Supervision and Administration of Medical Devices

The department of drug supervision and administration of the State Council is responsible for the nationwide supervision and administration of medical devices according to the *Regulations on Supervision and Administration of Medical Devices* (《醫療器械監督管理條例》) amended on December 6, 2024 and effective as of January 20, 2025. The relevant departments of the State Council shall be responsible for the supervision work relating to medical devices within their respective scope of duties. The local people’s governments at county level or above shall enhance their leadership over the supervision and administration of medical devices within their respective administrative regions, coordinate efforts to cope with relevant problems and strengthen the building of capabilities in supervision and administration of medical devices so as to guarantee the safety of medical devices. The department in charge of drug supervision and administration of the local people’s government at or above the county level shall be responsible for the supervision and administration of medical devices within its administrative region. The relevant departments of the local people’s governments at county level or above shall be responsible for the supervision and administration related to medical devices within their respective scope of duties.

Classification of Medical Device Products

According to the *Medical Device Classification Catalog* (《醫療器械分類目錄》) promulgated by the CFDA on August 31, 2017 and implemented on August 1, 2018, as latest revised and implemented by the NMPA on December 30, 2025, the NMPA is responsible for matters relating to the classification of medical devices. The Catalogue will be subject to dynamic adjustments based on the production, operation and use of medical devices, as well as the analysis and evaluation results of risk changes of medical devices. The administration category of a product should be determined comprehensively based on the actual conditions of

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the product, and based on the product description, intended use and product name examples specified in the Catalogue. Product description and intended use are used to determine the administration category of a product, and do not represent a complete description of the registered content of the product.

Registration of Medical Devices

According to the *Measures for the Administration of Registration and Record Filing of Medical Devices* (《醫療器械註冊與備案管理辦法》) promulgated by the State Administration for Market Regulation on August 26, 2021 and implemented on October 1, 2021, Class I medical devices are subject to record filing, while Class II and Class III medical devices are subject to registration. For the record-filing of a Class I medical device, the applicant shall submit the record-filing materials to the drug administration at the level of a city divided into districts; Class II medical devices shall be reviewed by the drug administration of the province, autonomous region or centrally-administered municipality which, upon approval, shall issue a Medical Device Registration Certificate; and Class III medical devices shall be reviewed by the NMPA which, upon approval, shall issue a Medical Device Registration Certificate. A medical device registration certificate is valid for five years.

Production of Medical Devices

According to the *Measures for the Supervision and Administration of Medical Device Production* (《醫療器械生產監督管理辦法》) promulgated by the former CFDA on July 20, 2004 and implemented on the same date, and most recently amended by the State Administration for Market Regulation on March 10, 2022 and implemented on May 1, 2022, medical device production is subject to classified administration based on the risk level of medical devices. Enterprises engaged in the production of Class II and Class III medical devices shall obtain a medical device production licence upon approval by the drug regulatory authority of the province, autonomous region or municipality where they are located. Enterprises engaged in the production of Class I medical devices shall complete record filing with the drug regulatory authority at the municipal level with districts.

Administration of the Quality of Medical Devices

According to the *Good Manufacturing Practice for Medical Devices* (《醫療器械生產質量管理規範》) promulgated by the CFDA on December 29, 2014 and effective as of March 1, 2015, enterprises engaging in manufacturing of medical devices shall establish and maintain a sound quality management system in accordance with the Good Manufacturing Practice for Medical Devices. An enterprise engaging in the manufacture of medical devices shall, in accordance with the requirements of the Good Manufacturing Practice for Medical Devices and in combination with the characteristics of the products, establish and improve the quality management system that meets the needs of the medical devices it manufactures and ensure the effective operation of the system.

According to the *Quality Management Specifications for Business Operations of Medical Devices* (《醫療器械經營質量管理規範》) promulgated by the NMPA on December 4, 2023 and effective on July 1, 2024, medical device operators shall establish a complete Quality Management system, and adopt effective quality management measures throughout the entire process including purchase, acceptance inspection, storage, sales, transportation, and after-sales service of medical devices to ensure product quality safety and traceability in the business process. Enterprises engaged in business operations of Class II or Class III medical devices shall conduct self-inspection as required.

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Operation of Medical Devices

According to the *Measures for the Supervision and Administration of Medical Device Operation* (《醫療器械經營監督管理辦法》) promulgated by the former CFDA on July 30, 2014 and implemented on October 1, 2014, and most recently amended by the State Administration for Market Regulation on March 10, 2022 and implemented on May 1, 2022, medical device operation is subject to classified administration based on the risk level of medical devices. To engage in business operations of Class II medical devices, an enterprise shall file record with the local drug administration of the city divided into districts; to engage in business operations of Class III medical devices, an enterprise shall apply for the medical device business license to the local drug administration of the city divided into districts, and the operation of Class I medical devices requires neither licensing nor record filing. The medical device operation licence shall be valid for five years. Registrants, record filers or manufacturers of medical devices selling medical devices at their domicile or production premises are exempted from obtaining a medical device operation licence or record filing, but must comply with the prescribed operating conditions.

Online Sales of Medical Device

According to the *Quality Management Standards for Online Sales of Medical Device* (《醫療器械網絡銷售質量管理規範》) promulgated by the NMPA on April 28, 2025 and implemented on October 1, 2025, operators of online sales of medical devices shall ensure the veracity, accuracy, completeness and traceability of the information of online sales of medical devices, and continuously display the medical device business permit or Class II medical device business filing certificate in a prominent position on the homepage of their business activities; where the registrant of medical devices produces medical devices by itself, the medical device manufacturing permit shall be displayed; where the registrant of medical devices entrusts the manufacturer of medical devices, the medical device registration certificate shall be displayed.

Medical Device Advertising

According to the *Interim Measures for the Administration of the Examination of Advertisements for Drugs, Medical Devices, Health Foods and Foods for Special Medical Purposes* (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》) promulgated by the State Administration for Market Regulation on December 24, 2019 and implemented on March 1, 2020, the provincial market supervision authorities and medical product regulatory authorities are responsible for the examination of medical device advertisements. No medical device advertisement may be published without approval, and the approval number must be prominently indicated in the advertisement.

Import and Export of Medical Devices

According to the *Administrative Provisions on the Certificate of Export Sales of Medical Devices* (《醫療器械出口銷售證明管理規定》) promulgated by the NMPA on December 24, 2025 and implemented on May 1, 2026, registrants or record-filing parties of medical devices within the territory of China, as well as manufacturers which have obtained a medical device production license or have filed a record for the manufacture of medical devices for record, may apply to the local Medical Products Administration for a Certificate of Export Sales of Medical Devices.

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Coverage of the National Medical Insurance System

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 NPC Standing Committee on October 28, 2010 and amended on December 29, 2018, the payment scope of the Basic Medical Insurance Fund is limited to the medical insurance drug catalog, diagnosis and treatment items, medical service facility standards, and medical expenses for emergency treatment and rescue. Currently, except for drugs which is subject to a unified national catalog, local authorities establish the catalogs of diagnosis and treatment, consumables, medical service facilities and other items differently. Some medical devices are included in the medical consumables catalogue.

Our major products are not classified as medical devices and therefore do not apply to the payment scope of the Basic Medical Insurance Fund.

Overseas Investment

According to the *Measures for the Administration of Overseas Investment* (《境外投資管理辦法》) promulgated by the Ministry of Commerce on March 16, 2009, most recently amended on September 6, 2014 and implemented on October 6, 2014, and the *Measures for the Administration of Overseas Investment of Enterprises* (《企業境外投資管理辦法》) promulgated by the NDRC and implemented on March 1, 2018, overseas investment activities of companies and other enterprises established within the PRC are subject to the administration of the Ministry of Commerce and the NDRC. Under these measures, overseas investments by PRC enterprises involving sensitive countries and regions or sensitive industries shall be subject to project approval administration by the NDRC and investment approval administration by the Ministry of Commerce. For overseas investments not requiring approval, enterprises shall complete investment project filing with the NDRC and investment filing with the Ministry of Commerce. Both the NDRC and the Ministry of Commerce have established online systems for submission of approval/filing applications and supporting documents. Upon approval or filing, overseas investors will receive the approval document or filing notice from the NDRC and the *Enterprise Overseas Investment Certificate* (《企業境外投資證書》) from the Ministry of Commerce.

Online Retail Business

On August 31, 2018, the NPC Standing Committee promulgated the *E-Commerce Law of the People’s Republic of China* (《中華人民共和國電子商務法》) (the “**E-Commerce Law**”), which came into effect on January 1, 2019. According to the E-Commerce Law, “e-commerce” refers to business activities of selling goods or providing services through the internet or other information networks. E-commerce operators shall complete market entity registration in accordance with the law, except for individuals selling self-produced agricultural and sideline products, household handicrafts, or other circumstances exempted by laws and administrative regulations. When engaging in business activities, e-commerce operators shall obtain the relevant administrative licences as required by law, failing which they may be ordered by the municipal market supervision authorities to rectify within a specified period, fined, or ordered to suspend business.

On March 15, 2021, the State Administration for Market Regulation promulgated the *Measures for the Supervision and Administration of Online Transactions* (《網絡交易監督管理辦法》), which were amended on March 18, 2025 and implemented on May 1, 2025. These measures apply to business activities of selling goods or providing services through the internet or other information networks within the PRC. Under these measures, online transaction operators shall not engage in business activities without the required licences in violation of

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laws, regulations or decisions of the State Council. Except for circumstances exempted under the E-Commerce Law, online transaction operators shall complete market entity registration. Operators conducting online transactions through social networks, live-streaming platforms or other online services shall prominently display product or service information, actual business entity information, after-sale service details, or links to such information.

Cross-Border E-Commerce Business

According to the *Notice on Improving the Regulation of Cross-Border E-Commerce Retail Imports* (《關於完善跨境電子商務零售進口監管有關工作的通知》) jointly promulgated by the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Finance, the General Administration of Customs (“GAC”), the State Taxation Administration and the State Administration for Market Regulation on November 28, 2018 and implemented on January 1, 2019, cross-border e-commerce retail imports are administered as personal-use imported goods. Such imports are exempted from requirements for first-time import licence approval, registration or record filing, provided that the following conditions are met: (i) the goods are included in the *Cross-Border E-Commerce Retail Import List* (《跨境電子商務零售進口商品清單》), intended solely for personal use, and comply with the applicable tax policies for cross-border e-commerce retail imports; (ii) transactions are conducted through e-commerce platforms connected with the customs system, enabling verification of transaction, payment and logistics electronic information (“**three-document matching**”); (iii) where transactions are not conducted through customs-connected e-commerce platforms, express delivery operators or postal enterprises may, upon entrustment by relevant e-commerce enterprises or payment enterprises, assume corresponding legal responsibilities and transmit transaction and payment information to customs.

Import and Export of Goods

According to the *Customs Law of the People’s Republic of China* (《中華人民共和國海關法》), most recently amended by the NPC Standing Committee on April 29, 2021 and implemented on the same date, customs is the national authority responsible for supervision and administration of entry and exit of the territory. Customs is empowered to supervise inbound and outbound means of transport, goods, luggage, postal items and other articles, to levy customs duties and other taxes and fees, to investigate and combat smuggling, to compile customs statistics and to handle other customs matters. Consignees and consignors of import and export goods registered with customs, as well as customs declaration enterprises, are recognised as customs declaration entities. Consignees and consignors of import and export goods may complete customs declaration procedures themselves or entrust customs declaration enterprises to do so.

According to the *Law of the People’s Republic of China on Import and Export Commodity Inspection* (《中華人民共和國進出口商品檢驗法》), most recently amended by the NPC Standing Committee on April 29, 2021 and implemented on the same date, and the *Regulations on the Implementation of the Law of the People’s Republic of China on Import and Export Commodity Inspection* (《中華人民共和國進出口商品檢驗法實施條例》), most recently amended by the State Council on March 29, 2022 and implemented on May 1, 2022, the GAC is responsible for nationwide import and export commodity inspection. Its subordinate entry-exit inspection and quarantine institutions shall inspect commodities listed in the catalogue as well as other commodities required by laws and administrative regulations to undergo inspection. For commodities not subject to mandatory inspection, entry-exit inspection and quarantine institutions shall conduct random inspections in accordance with national provisions.

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Advertising

The *Advertising Law of the People’s Republic of China* (《中華人民共和國廣告法》) (the “**Advertising Law**”) was promulgated by the NPC Standing Committee on October 27, 1994, most recently amended on April 29, 2021 and implemented on the same date. Pursuant to the Advertising Law, advertisements shall not contain false or misleading content, nor shall they deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the content of advertisements. Where false advertisements are published, the market supervision authorities shall order cessation of publication, require advertisers to eliminate adverse effects within the relevant scope, and impose fines. Where false advertisements infringe upon the lawful rights and interests of consumers who purchase goods or receive services, advertisers shall bear civil liability in accordance with the law.

Anti-Unfair Competition

The *Anti-Unfair Competition Law of the People’s Republic of China* (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Competition Law**”) was promulgated by the NPC Standing Committee on September 2, 1993, most recently amended on June 27, 2025 and implemented on October 15, 2025. Pursuant to the Anti-Unfair Competition Law, business operators shall adhere to the principles of voluntariness, equality, fairness and good faith in their production and business activities, and comply with laws and commercial ethics. Business operators shall not make false or misleading commercial publicity regarding the performance, function, quality, sales status, user evaluations or awards of their products, nor shall they deceive or mislead consumers.

The *Anti-Monopoly Law of the People’s Republic of China* (《中華人民共和國反壟斷法》) was promulgated by the NPC Standing Committee on August 30, 2007, most recently amended on June 24, 2022 and implemented on August 1, 2022. The *Anti-Monopoly Law of the People’s Republic of China* (《中華人民共和國反壟斷法》) applies to monopolistic conduct, including the conclusion of monopoly agreements by business operators, abuse of market dominance, and concentrations of business operators that have or may have the effect of eliminating or restricting competition. Business operators shall not use data and algorithms, technological advantages, capital advantages or platform rules to engage in monopolistic conduct prohibited under the law.

Environmental Protection

The *Environmental Protection Law of the People’s Republic of China* (《中華人民共和國環境保護法》) was most recently amended by the NPC Standing Committee on April 24, 2014 and implemented on January 1, 2015. Pursuant to the Environmental Protection Law, any entity that discharges or is likely to discharge pollutants in the course of business or other activities must adopt effective environmental protection measures to control and properly handle harmful substances generated, including waste gas, wastewater, solid waste, dust, odorous gases, radioactive substances, noise, vibration and electromagnetic radiation. The State implements a pollution discharge permit management system in accordance with the law.

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》) was promulgated by the NPC Standing Committee on December 29, 2018 and implemented on the same date. The *Regulations on the Administration of Environmental Protection for Construction Projects* (《建設項目環境保護管理條例》) were most recently amended by the State Council on July 16, 2017 and implemented on October 1, 2017. The *Interim Measures for the Environmental Protection Acceptance of Completed Construction*

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Projects (《建設項目竣工環境保護驗收暫行辦法》) were promulgated by the former Ministry of Environmental Protection on November 20, 2017 and implemented on the same date. Together, these laws and regulations establish the environmental impact assessment system for construction projects within the PRC. Construction entities shall, prior to commencement of construction projects, submit environmental impact assessment reports or forms for approval, or file environmental impact registration forms in accordance with the requirements of the competent environmental protection authority under the State Council. Upon completion of construction projects requiring environmental impact assessment reports or forms, construction entities shall, in accordance with the standards and procedures prescribed by the competent environmental protection authority under the State Council, conduct acceptance inspections of the supporting environmental protection facilities and prepare acceptance reports. For projects constructed and commissioned in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. Supporting environmental protection facilities of construction projects may only be put into operation or use after passing acceptance inspections; projects that fail to undergo acceptance inspections or fail to pass acceptance inspections shall not be put into operation or use.

Land Use Right

According to *Land Administration Law of the People’s Republic of China* (《中華人民共和國土地管理法》) promulgated by the NPCSC on June 25, 1986 and last amended on August 26, 2019 and came into effect on January 2020, and the Civil Code (《民法典》) promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, any entity that needs land for the purposes of construction must obtain land use right and must register with local branches of Ministry of Natural Resources. Land use right is established at the time of registration.

Construction Project

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》), promulgated by the NPC Standing Committee on October 28, 2007, most recently amended on April 23, 2019 and implemented on the same date, construction entities shall, prior to commencing construction project design, apply to the competent natural resources and planning authority of the local people’s government at county level or above for a construction land planning permit.

According to the *Construction Law of the People’s Republic of China* (《中華人民共和國建築法》), promulgated by the NPC Standing Committee on November 1, 1997, most recently amended on April 23, 2019 and implemented on the same date, and the *Measures for the Administration of Construction Project Construction Permits* (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on October 15, 1999, most recently amended on March 30, 2021 and implemented on the same date, construction entities shall, prior to commencement of construction, apply to the competent housing and urban-rural development authority of the local people’s government at county level or above for a construction permit. Where construction is commenced without obtaining a construction permit, or where construction is commenced by splitting projects to circumvent permit requirements, the relevant permit issuing authority shall order rectification, impose a deadline for suspension of construction, and impose fines of not less than 1% but not more than 2% of the contract value on the construction entity, and fines of up to RMB30,000 on the construction contractor.

According to the *Regulations on the Administration of Construction Project Quality* (《建設工程質量管理條例》) promulgated by the State Council on January 30, 2000, most recently

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amended on April 23, 2019 and implemented on the same date, and the *Measures for the Administration of Completion Acceptance Filing of Housing 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》) (the “**Measures for the Administration of Completion Acceptance Filing**”) promulgated by the Ministry of Housing and Urban-Rural Development (“MOHURD”) on October 19, 2009 and implemented on the same date, construction entities shall, within 15 days from the date of passing completion acceptance, complete the filing procedures for completion acceptance with the competent construction administrative authority of the local people’s government at county level or above. Where construction entities fail to complete the filing procedures within 15 days, the filing authority shall order rectification within a specified period and impose fines ranging from RMB200,000 to RMB500,000.

According to the *Fire Protection Law of the People’s Republic of China* (《中華人民共和國消防法》) (the “**Fire Protection Law**”), promulgated by the NPC Standing Committee on April 29, 1998, most recently amended on April 29, 2021 and implemented on the same date, and the *Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects* (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, most recently amended on August 21, 2023 and implemented on October 30, 2023, any completed construction project (other than special construction projects requiring fire protection design in accordance with national technical standards) shall be filed with the competent authority within five working days from the date of passing completion acceptance. Where construction entities fail to file with the housing and urban-rural development authority after completion acceptance in accordance with the Fire Protection Law, the authority shall order rectification and impose fines of up to RMB5,000.

Product Quality and Consumer Protection

The *Product Quality Law of the People’s Republic of China* (《中華人民共和國產品質量法》) was most recently amended by the NPC Standing Committee on December 29, 2018 and implemented on the same date. The State Administration for Market Regulation is responsible for nationwide supervision of product quality. Producers are prohibited from manufacturing or selling products that do not meet standards and requirements safeguarding human health and personal and property safety. Products must not contain unreasonable dangers that may endanger personal or property safety. Where defects in products cause personal injury or damage to property, the injured party may claim compensation from the producer or seller. Producers or sellers of non-compliant products may be ordered to cease production or sales, and may have products confiscated and/or be fined; illegal gains, if any, shall be confiscated; in serious cases, their business licences may be revoked.

The *Consumers Rights and Interests Protection Law of the People’s Republic of China* (《中華人民共和國消費者權益保護法》) (the “**Consumers Rights and Interests Protection Law**”) was promulgated by the NPC Standing Committee on October 31, 1993, most recently amended on October 25, 2013 and implemented on March 15, 2014. Pursuant to the Consumer Rights Protection Law, business operators shall ensure that the goods or services they provide meet requirements safeguarding personal and property safety, and shall provide consumers with truthful information on the quality, performance, use and validity period of goods or services. Where business operators discover that the goods or services they provide are defective and may endanger personal or property safety, they must immediately report to the relevant administrative authorities and inform consumers, and adopt measures such as suspension of sales, warnings, recalls, harmless treatment, destruction, or suspension of production or services. Where recall measures are adopted, business operators shall bear the necessary expenses incurred by

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consumers due to the recall. Violations of the Consumer Rights Protection Law may result in warnings, confiscation of illegal gains and fines; in serious cases, suspension of business for rectification or revocation of business licences; and where criminal offences are constituted, criminal liability shall be pursued in accordance with the law.

Information Security, Data Security and Personal Information Protection

The *Data Security Law of the People’s Republic of China* (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was promulgated on June 10, 2021 and implemented on September 1, 2021. The Data Security Law requires data processors to establish and improve comprehensive data security management systems, organise data security education and training, and adopt appropriate technical and other necessary measures to ensure data security. Data processors conducting data processing activities via the internet or other information networks must fulfil the above data security obligations on the basis of the cybersecurity multi-level protection system. Violations of the Data Security Law may result in rectification orders, warnings, fines, suspension of relevant business, revocation of business licences or even criminal liability.

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**”) was promulgated on August 20, 2021 and implemented on November 1, 2021. Unlike the *Cybersecurity Law of the People’s Republic of China* (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which primarily relies on “notice and consent”, the Personal Information Protection Law reiterates the circumstances under which personal information processors may process personal information and the requirements thereof, including: (i) obtaining individual consent; (ii) necessity for the conclusion or performance of a contract to which the individual is a party; (iii) necessity for the performance of statutory duties or obligations; (iv) necessity for responding to public health emergencies or protecting the life, health and property safety of natural persons in emergencies; (v) processing of publicly disclosed personal information within a reasonable scope in accordance with the law; (vi) processing of personal information within a reasonable scope for news reporting, public opinion supervision and other acts in the public interest; and (vii) other circumstances prescribed by laws and administrative regulations. The law also sets out obligations of personal information processors. Violations may result in rectification orders, warnings, fines, suspension of relevant business, revocation of licences, inclusion in credit records or even criminal liability. Pursuant to the *Civil Code of the People’s Republic of China* (《中華人民共和國民法典》), personal information of natural persons is protected by law. Any organisation or individual seeking to obtain personal information of others must do so lawfully and ensure information security, and must not illegally collect, use, process, transmit, trade, provide or disclose personal information.

On April 13, 2020, the Cyberspace Administration of China (“CAC”), together with 13 other PRC government departments and regulatory authorities, jointly issued the *Measures for Cybersecurity Review* (《網絡安全審查辦法》), which were most recently amended on December 18, 2021 and implemented on February 15, 2022. The *Measures for Cybersecurity Review* (《網絡安全審查辦法》) stipulate that network platform operators holding personal information of more than one million users and planning to list abroad must apply to the Cybersecurity Review Office for a cybersecurity review. Where network products and services, data processing activities or overseas listings of companies affect or may affect national security, the Cybersecurity Review Office may initiate a cybersecurity review. Violations of the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) are subject to penalties under the *Cybersecurity Law* (《網絡安全法》) and the *Data Security Law* (《數據安全法》), including but not limited to enforcement actions, investigations, fines, sanctions and suspension of non-compliant business.

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On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-Border Data Flow* (《促進和規範數據跨境流動規定》) (the “**Cross-Border Data Flow Provisions**”). Together with the *Measures for Security Assessment of Data Export* (《數據出境安全評估辦法》) implemented on September 1, 2022, the *Measures for Standard Contracts for Cross-Border Transfer of Personal Information* (《個人信息出境標準合同辦法》) implemented on June 1, 2023, and the *Announcement on Implementing Personal Information Protection Certification* (《關於實施個人信息保護認證的公告》) implemented on November 4, 2022, the Cross-Border Data Flow Provisions require data processors providing data abroad, unless exempted, to comply with the regulatory procedures for cross-border data transfer. Under the Cross-Border Data Flow Provisions, data processors must apply to the CAC for a security assessment prior to cross-border transfer of important data or personal information in the following circumstances: (i) critical information infrastructure operators providing important data or personal information abroad; (ii) data processors other than critical information infrastructure operators providing important data abroad; (iii) data processors other than critical information infrastructure operators providing abroad, since 1 January of the current year, personal information of at least one million individuals (excluding sensitive personal information) or sensitive personal information of at least 10,000 individuals; (iv) other circumstances requiring security assessment as prescribed by the CAC. On September 24, 2024, the State Council promulgated the *Regulations on the Administration of Cyber Data Security* (《網絡數據安全管理條例》), which was implemented on January 1, 2025. The Regulations set out general provisions on cyber data security management and further supplement and refine specific requirements relating to personal information protection, important data security management, cross-border security management of cyber data, and obligations of network platforms.

INTELLECTUAL PROPERTY

Patents

The *Patent Law of the People’s Republic of China* (《中華人民共和國專利法》) was most recently amended by the NPC Standing Committee on October 17, 2020 and implemented on June 1, 2021. The State Council patent administration department is responsible for nationwide patent administration, including the unified acceptance and examination of patent applications and the granting of patent rights in accordance with the law. Provincial, autonomous regional and municipal governments are responsible for patent administration within their respective jurisdictions. Patents are classified into three categories: invention patents, utility model patents and design patents. Invention patents must possess novelty, inventiveness and practical applicability. The term of protection for invention patents is 20 years, for utility model patents is 10 years, and for design patents is 15 years, all calculated from the date of application. Once granted, unless otherwise provided under the *Patent Law of the People’s Republic of China* (《中華人民共和國專利法》), no entity or individual may exploit the patent without the permission of the patentee.

Trademarks

The *Trademark Law of the People’s Republic of China* (《中華人民共和國商標法》) was most recently amended by the NPC Standing Committee on April 23, 2019 and implemented on November 1, 2019, and the *Regulations for the Implementation of the Trademark Law of the People’s Republic of China* (《中華人民共和國商標法實施條例》) were most recently amended by the State Council on April 29, 2014 and implemented on May 1, 2014. Trademarks approved and registered by the Trademark Office of the China National Intellectual Property Administration are registered trademarks, which include commodity trademarks, service

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trademarks, collective trademarks and certification trademarks. The term of validity of a registered trademark is ten years, commencing from the date of approval of registration. Where continued use is required upon expiry, the trademark registrant shall apply for renewal within twelve months prior to the expiry date. Trademark registrants may license others to use their registered trademarks by entering into trademark licence agreements. Use of a trademark identical or similar to a registered trademark on the same goods, or use of a trademark identical or similar to a registered trademark on similar goods without the registrant’s permission, where confusion is likely to arise, constitutes infringement of the exclusive right to use the registered trademark. Infringers shall cease infringement, and infringing goods and tools primarily used for manufacturing infringing goods or forging registered trademark labels shall be confiscated and destroyed.

Copyright

The *Copyright Law of the People’s Republic of China* (《中華人民共和國著作權法》) was most recently amended by the NPC Standing Committee on November 11, 2020 and implemented on June 1, 2021. Chinese citizens, legal persons or organisations enjoy copyright protection under the *Copyright Law of the People’s Republic of China* (《中華人民共和國著作權法》) for original intellectual achievements in the fields of literature, art and science that can be expressed in a certain form, whether published or not. Copyright includes a series of moral and property rights, such as the right of publication, authorship, revision, integrity of works and reproduction.

According to the *Measures for the Registration of Computer Software Copyright* (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and implemented on the same date, and the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) most recently amended by the State Council on January 30, 2013 and implemented on March 1, 2013, the National Copyright Administration is responsible for nationwide administration of software copyright registration, and has designated the China Copyright Protection Center as the software registration authority. The China Copyright Protection Center issues registration certificates to applicants of computer software copyright that meet the requirements under the *Measures for the Registration of Computer Software Copyright* (《計算機軟件著作權登記辦法》) and the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》).

Trade Secrets

The Anti-Unfair Competition Law was most recently amended by the NPC Standing Committee on June 27, 2025 and implemented on October 15, 2025. Under the Anti-Unfair Competition Law, trade secrets refer to technical information, operational information and other commercial information that is not known to the public, has commercial value, and for which the rights holder has adopted corresponding confidentiality measures. Business operators are prohibited from engaging in the following acts of infringement of trade secrets: (1) acquiring trade secrets of the rights holder by theft, bribery, fraud, coercion, electronic intrusion or other improper means; (2) disclosing, using or allowing others to use trade secrets of the rights holder acquired by the above means; (3) disclosing, using or allowing others to use trade secrets in violation of confidentiality obligations or requirements of the rights holder; (4) instigating, inducing or assisting others to violate confidentiality obligations or requirements of the rights holder to acquire, disclose, use or allow others to use trade secrets of the rights holder. Acts committed by natural persons, legal persons or organisations other than business operators as described above shall also constitute infringement of trade secrets. Where a third party knows or should know that employees, former employees or other entities or individuals of the rights

REGULATORY OVERVIEW

holder have committed such unlawful acts, but still acquires, discloses, uses or allows others to use the trade secrets, such acts shall be deemed infringement of trade secrets. Business operators and other natural persons, legal persons or organisations that infringe trade secrets in violation of the law shall be ordered by supervisory authorities to cease the unlawful acts, have their illegal gains confiscated, and be fined.

Property Leasing

The *Urban Real Estate Administration Law of the People’s Republic of China* (《中華人民共和國城市房地產管理法》) was promulgated by the NPC Standing Committee on July 5, 1994, most recently amended on August 26, 2019 and implemented on January 1, 2020. Pursuant to the law, landlords and tenants shall enter into written lease contracts specifying the lease term, purpose, rent, repair responsibilities and other rights and obligations of both parties, and shall register and file the lease contracts with the real estate administration authorities.

According to the *Measures for the Administration of Commodity Housing Leasing* (《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 implemented on February 1, 2011, parties to a housing lease contract shall, within thirty days of contract execution, complete lease registration and filing procedures with the housing (real estate) administration authority of the people’s government at municipal or county level where the leased property is located. Individuals or entities that fail to comply shall be ordered to rectify within a specified period; individuals failing to rectify shall be fined up to RMB1,000, and entities failing to rectify shall be fined between RMB1,000 and RMB10,000.

EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labour Law

The *Labour Law of the People’s Republic of China* (《中華人民共和國勞動法》), most recently amended by the NPC Standing Committee on December 29, 2018 and implemented on the same date, together with the *Labour Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法》), most recently amended on December 28, 2012 and implemented on July 1, 2013, and the *Regulations on the Implementation of the Labour 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 by the State Council on September 18, 2008 and implemented on the same date, require employers to enter into written labour contracts with employees upon establishment of employment relationships. Lawfully executed labour contracts are binding, and both employers and employees must perform their contractual obligations. Employers are required to establish and improve labour rules and regulations in accordance with the law, safeguard employees’ labour rights and ensure fulfilment of their obligations. Employers must strictly implement labour quota standards and may not compel or indirectly compel employees to work overtime. Where overtime is arranged, employers must pay overtime wages in accordance with national regulations. Employee wages must not be lower than the local minimum wage standard and must be paid in a timely manner.

Social Insurance

The *Social Insurance Law of the People’s Republic of China* (《中華人民共和國社會保險法》), most recently amended by the NPC Standing Committee on December 29, 2018 and implemented on the same date, together with other relevant laws and regulations, requires employers within the PRC to provide social insurance coverage for their employees, including basic pension insurance, basic medical insurance, work-related injury insurance and maternity

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insurance. Employers failing to make the required contributions may be ordered to make up the contributions within a prescribed period, and may be subject to fines if they fail to comply.

According to *The Notice of the State Taxation Administration on Implementing Measures to Further Support and Serve the Development of the Private Economy* (《國家稅務總局關於實施進一步支持和服務民營經濟發展的若干措施的通知》) issued on November 16, 2018 and the *Comprehensive Plan for Reducing Social Insurance Contribution Rates* (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》) issued by the General Office of the State Council on April 1, 2019 emphasise that enterprises’ historical arrears must be properly handled, and that concentrated collection of historical arrears shall not be conducted during the reform of the collection system.

Housing Provident Fund

The *Regulations on the Administration of Housing Provident Fund* (《住房公積金管理條例》), most recently amended by the State Council on March 24, 2019 and implemented on the same date, provide that the housing provident fund refers to long-term housing savings deposited by employers and their employees. Employers within the PRC are required to make housing provident fund contributions for their employees in accordance with the regulations. Employers failing to make contributions or making insufficient contributions may be ordered by the housing provident fund management centre to make up the contributions within a prescribed period, and if they fail to comply, compulsory enforcement may be sought from the People’s Court.

Foreign Exchange

The *Regulations of the People’s Republic of China on Foreign Exchange Administration* (《中華人民共和國外匯管理條例》), most recently amended by the State Council on August 5, 2008 and implemented on the same date, provide that foreign exchange under current account transactions (including transactions relating to goods, services, income and current transfers in the balance of payments) may be converted into other currencies. For capital account transactions (including capital transfers, direct investment, securities investment, derivatives and loans), overseas institutions and individuals making direct investments in the PRC must obtain approval from the relevant competent authorities and register with the foreign exchange administration authorities. Domestic institutions and individuals making direct investments abroad or engaging in the issuance or trading of overseas securities or derivatives must register in accordance with the requirements of the foreign exchange administration authorities under the State Council.

According to the *Notice Concerning Relevant Issues on the Management of Overseas Listing Funds of Domestic Enterprises* (《關於境內企業境外上市資金管理有關問題的通知》) promulgated on December 24, 2025 and implemented on April 1, 2026, by the State Administration of Foreign Exchange and the People’s Bank of China, domestic enterprises intending to conduct overseas listing shall, within 30 working days after the first trading day of overseas listing or after the completion of the over-allotment, apply for overseas listing registration with a bank in the region of a province or a municipality with independent planning status at the place where they are registered; and in principle, the funds raised by domestic enterprises through overseas listing shall be promptly transferred back to China. If the funds are retained overseas for overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprises shall obtain the approval reply or filing documents from the competent business authorities prior to the completion date of overseas listing issuance or the completion date of over-allotment, and shall comply with the relevant provisions on administration of cross-border funds; the usage of the funds raised from overseas

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listing shall be consistent with the relevant contents listed in the document or corporate bond document, circular to shareholders, resolution of the board of directors or shareholders’ general meeting, and other publicly disclosed documents.

According to the *Notice of the People’s Bank of China on Further Improving Policies for Cross-Border RMB Business to Facilitate Trade and Investment* (《中國人民銀行關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》) promulgated and implemented on January 5, 2018, funds raised by domestic enterprises from overseas issuance of RMB-denominated bonds may be remitted back to the PRC for use as required, and funds raised from overseas issuance of RMB-denominated shares may also be remitted back to the PRC for use as required.

TAX

Enterprise Income Tax

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》), most recently amended by the NPC Standing Committee on December 29, 2018 and implemented on the same date, together with the *Regulations on the Implementation of 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實施條例》), most recently amended by the State Council on December 6, 2024 and implemented on January 20, 2025, provide that resident enterprises refer to enterprises established in the PRC in accordance with the law, or enterprises established under foreign (regional) laws but with their actual management institutions located in the PRC. Resident enterprises are subject to enterprise income tax on income derived from both within and outside the PRC at a tax rate of 25%. The State grants preferential enterprise income tax treatment to industries and projects that are key areas of support and encouragement.

Pursuant 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 *Regulations on the Implementation of 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實施條例》), the *Administrative Measures for the Recognition of High and New Technology Enterprises* (《高新技術企業認定管理辦法》) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration, the *Announcement of the State Taxation Administration on Issues Relating to the Implementation of Preferential Enterprise Income Tax Policies for High and New Technology Enterprises* (《國家稅務總局關於實施高新技術企業所得稅優惠政策有關問題的公告》), and other relevant laws and regulations, qualified high and new technology enterprises are entitled to a preferential enterprise income tax rate of 15%.

Value-Added Tax

According to the *VAT Law of the People’s Republic of China* (《中華人民共和國增值稅法》) promulgated by the NPC Standing Committee on December 25, 2024 and implemented on January 1, 2026, entities and individuals (including individual businesses) engaging in sales of goods, services, intangible assets, real estate and importation of goods within the territory of the People’s Republic of China are taxpayers of VAT and shall pay VAT in accordance with the VAT Law. Unless otherwise stipulated, the VAT rate shall be: taxpayers engaging in sales of goods, processing, repair and replacement services, lease of tangible movables or importation of goods shall be subject to 13% tax rate. Taxpayers engaging in sales of transportation, postal services, basic telecommunications, construction, real estate leasing services, sales of real estate, transfer of land use rights, sale or importation of the following goods shall be subject to 9% tax rate. Taxpayers engaging in sales of services or intangible assets shall be subject to 6% tax rate.

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Overseas Securities Issuance and Listing by Domestic Enterprises

The *Securities Law of the People’s Republic of China* (《中華人民共和國證券法》) was promulgated by the NPC Standing Committee on December 29, 1998, most recently amended on December 28, 2019 and implemented on March 1, 2020. The *Securities Law of the People’s Republic of China* (《中華人民共和國證券法》) regulates activities in the PRC securities market, including securities issuance and trading, acquisitions of listed companies, securities exchanges, securities companies and the responsibilities of securities regulatory authorities. The *Securities Law of the People’s Republic of China* (《中華人民共和國證券法》) stipulates that domestic enterprises directly or indirectly issuing securities overseas or listing their securities overseas must comply with relevant provisions of the State Council.

According to the *Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023, domestic enterprises directly or indirectly issuing securities overseas or listing their securities overseas are subject to CSRC regulations. For initial public offerings and overseas listings, the issuer or its designated entity must file with the CSRC within three working days after submission of the initial public offering application documents.

On February 24, 2023, the CSRC and three other authorities jointly promulgated the *Provisions on Strengthening Confidentiality and Archives Administration Relating to Overseas Securities Offering and Listing by Domestic Enterprises* (《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》). Under these provisions, domestic enterprises providing or disclosing documents or materials involving state secrets or working secrets of government agencies to securities companies, securities service institutions, overseas regulators or other entities or individuals must obtain approval from competent authorities with approval rights and file with the confidentiality administrative authority at the same level. Working papers formed within the PRC by securities companies and securities service institutions providing services for overseas offerings and listings of domestic enterprises must be kept within the PRC. Cross-border transfers of such materials must undergo approval procedures in accordance with PRC regulations.

Equity Incentive Plans

According to the *Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Administration for Domestic Individuals Participating in Equity Incentive Plans of Overseas Listed Companies* (《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劃外匯管理有關問題的通知》) promulgated in February 2012, employees, directors, supervisors and other senior management personnel who are PRC citizens or non-PRC citizens who have continuously resided in the PRC for not less than one year and who participate in any equity incentive plan of overseas listed companies, except in limited circumstances, must register with the State Administration of Foreign Exchange through domestic agent institutions. In addition, overseas trustee institutions must be engaged to handle matters relating to the exercise or sale of equity, and the purchase or sale of shares and related rights.

H-share “Full Circulation”

“Full circulation” refers to the process by which H-share listed companies list their previously unlisted domestic shares on securities exchanges. This includes unlisted domestic shares held by domestic shareholders prior to overseas listing, newly issued unlisted domestic shares after overseas listing, and unlisted shares held by overseas shareholders.

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On November 14, 2019, the CSRC promulgated the *Guidelines for the Application of Full Circulation of Unlisted Domestic Shares of H-share Companies* (《H股公司境內未上市股份申請“全流通”業務指引》) (the “**Full Circulation Guidelines**”), which were revised on August 10, 2023. Pursuant to the Full Circulation Guidelines, shareholders of unlisted domestic shares may, through consultation, jointly determine the number and proportion of shares to be circulated, subject to compliance with relevant laws, regulations and policies relating to state-owned assets administration, foreign investment and industry regulation. The corresponding H-share listed company may then authorise an application to the CSRC for full circulation. Domestic companies issuing shares for the first time and listing overseas may simultaneously apply to the CSRC for full circulation. Once unlisted domestic shares are listed and circulated, they may not be converted back into domestic shares. According to the *Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) promulgated on February 17, 2023 and implemented on March 31, 2023, shareholders of unlisted domestic shares of domestic enterprises directly issuing and listing overseas who apply to convert their unlisted domestic shares into overseas listed shares for trading on overseas exchanges must comply with CSRC regulations and entrust the domestic enterprise to file with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (“**CSDC**”) and the Shenzhen Stock Exchange (“**SZSE**”) jointly promulgated the *Implementation Rules for H-share Full Circulation Business* (《H股“全流通”業務實施細則》) (the “**Implementation Rules**”). The Implementation Rules regulate operational matters relating to H-share full circulation, including cross-border conversion registration, custody maintenance, trading authorisation, instruction transmission, clearing and settlement, participant management and nominee holder services. Matters not specified in the Implementation Rules shall be handled in accordance with other business rules of CSDC, CSDC (Hong Kong) Limited and the Shenzhen Stock Exchange.

LAWS AND REGULATIONS IN THE UNITED STATES

Below sets out a summary of certain aspects of laws and regulations of the U.S., which are relevant to the business and operations of our Group.

Product Safety and Consumer Protection Laws

The sale, distribution, and marketing of consumer products in the United States are subject to a comprehensive regulatory framework primarily administered at the federal level, with additional requirements imposed under state law. The principal federal agency responsible for regulating consumer product safety is the U.S. Consumer Product Safety Commission (“**CPSC**”), which administers the Consumer Product Safety Act and related legislation. These laws establish a general framework for ensuring that consumer products placed on the U.S. market meet applicable safety requirements and apply broadly to manufacturers, importers, distributors, and retailers.

In addition to product safety requirements, the advertising, marketing, and sales practices of consumer products are regulated under the Federal Trade Commission Act. This statute governs unfair or deceptive acts or practices in commerce.

Electrical and Electronic Product Regulations

Electrical and electronic consumer products sold in the United States are subject to federal and state laws and regulations governing electrical safety, technical performance, and

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compatibility with applicable standards. These regulatory requirements are intended to ensure that electrical products are designed and manufactured in accordance with recognized safety principles and technical specifications.

In addition, certain electronic products are subject to regulations administered by the Federal Communications Commission (“FCC”) relating to electromagnetic interference and radio frequency emissions.

State Laws and Regulations

State laws often may impose additional obligations on businesses engaged in the sale of consumer products.

Key areas regulated under state law include consumer protection, unfair competition, product labeling, chemical content, product warnings, and commercial practices. In particular, businesses operating in California are subject to the Safe Drinking Water and Toxic Enforcement Act of 1986, commonly known as Proposition 65, which requires businesses to provide warnings for exposure to chemicals identified as posing potential health risks.

Import and Trade Laws

The U.S. customs and trade laws mainly include the Tariff Act of 1930, as amended, the Customs Modernization Act of 1993, and regulations administered by U.S. Customs and Border Protection (“CBP”). These laws and regulations govern various aspects of import activities, including customs clearance procedures, tariff classification, valuation of imported goods, country-of-origin marking, and the payment of applicable customs duties and tariffs. Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise “reasonable care” in entering merchandise into the United States.

Civil penalties may be assessed against any person who uses false or misleading statements to enter goods into the U.S. In determining the applicable penalty for such wrongdoing, CBP first determines the applicable degree of culpability of the offending party. In general, higher penalties are assigned to more egregious offenses, which are classified according to degree of culpability as due to negligence, gross negligence, or fraud.

Tariffs

The U.S. imposes a variety of tariffs on imported goods. While the U.S. Constitution grants Congress the authority to impose tariffs, several statutes have shifted that authority to the President under certain circumstances. Within the U.S., agencies involved in international trade regulation include the CBP, the U.S. International Trade Commission (“ITC”), and the Office of the U.S. Trade Representative (“USTR”). CBP is responsible for collecting tariffs on goods imported to the U.S. during the customs clearance process. The ITC administers trade remedy laws and investigates unfair import practices, including intellectual property infringement under Section 337 of the Tariff Act of 1930. The USTR serves as the President’s principal trade adviser and negotiator.

The USTR is authorized to take certain action under Section 301 of the Trade Act of 1974 (“**Section 301**”), including, without limitation, the imposition of tariffs or other restrictions on imports, if it determines after investigation that a foreign government has engaged in unfair trade practices. In 2018, the U.S. imposed Section 301 tariffs on certain goods of Chinese origin

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following a USTR investigation. Section 301 tariffs are assessed and collected in addition to any other duties that may apply.

Data Privacy and Consumer Protection

The U.S. federal government and various states have adopted or are considering adopting laws, regulations, and standards regarding the collection, use, retention, security, disclosure, transfer, and other processing of personal information, including, various federal statutes governing areas such as credit reporting, electronic communications, telemarketing, and health information. In addition, many states have laws that protect the privacy and security of personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, laws. For example, in 2018, California enacted the California Consumer Privacy Act, which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the “CCPA”). The CCPA creates individual privacy rights for California residents, including rights to opt out of certain processing such as the transfer of personal information for the purpose of cross contextual behavioral advertising, the processing of sensitive personal information for certain purposes, as well as “sales” of personal information, and increases the privacy and security obligations of entities handling personal information of California consumers and meeting certain thresholds. The CCPA is currently enforceable by the California Attorney General, and provides for civil penalties for violations as well as a private right of action for certain data breaches. The CCPA’s expansion under the California Privacy Rights Act, including the establishment of a dedicated enforcement agency, may require us to incur additional compliance costs.

Similar laws have been enacted or proposed at the federal level and in numerous other states, and will continue to shape the data privacy environment throughout the United States. Currently, no United States federal or state privacy laws explicitly mandate data localization.

Employment and Labor Laws

There is a wide range of federal, state, and local employment and labor laws governing the employer-employee relationship in the U.S. These laws regulate matters including wages and hours of work, overtime compensation, employee classification, workplace health and safety, immigration compliance, equal employment opportunity, anti-discrimination, anti-harassment, employee benefits, leave entitlements, collective bargaining rights, workers’ compensation, and unemployment insurance. Federal laws set the minimum legal standard for employee rights; state and local laws may set different standards. Most employees in the United States are hired “at-will,” meaning employment can be terminated at any time, with or without notice or cause, but in no event may an employee be terminated for an illegal reason or in retaliation for engaging in a legally protected activity. Individual verification of eligibility to work in the United States is required. State and local employment laws, particularly in California, may impose requirements that are more stringent than those under federal law.

Corporate and Commercial Laws

These laws govern matters including corporate governance, annual reporting and filing obligations, maintenance of corporate records, and other ongoing compliance requirements applicable to corporations conducting business in the United States.

REGULATORY OVERVIEW

Intellectual Property Laws

The United States has both federal and state laws that govern intellectual property rights.

Intellectual Property Rights Governed by Federal Law

Copyrights and patents are exclusively governed by Federal Law.

Copyrights

A copyright protects original works of authorship fixed in tangible form (covering expressions, no ideas) under the Copyright Act of 1976.

Patents

A patent is a government grant providing the patent owner with the right to exclude others from manufacturing, using, or selling a claimed invention within the United States or practicing a claimed method within the United States. A patent is obtained by filing an application with the U.S. Patent and Trademark Office (“USPTO”) claiming a useful, novel invention. The application must comply with various requirements set forth in the Patent Act (codified at 35 U.S.C. § 1 et seq) and regulations established by the USPTO. A patent owner can bring an infringement action in a U.S. federal court or, where the importation of infringing goods is involved, before the International Trade Commission. A patent owner may be entitled to remedies against an infringing party including injunctions, damages (including lost profits or royalties), and, in cases of willful infringement, enhanced damages (up to treble) and attorneys’ fees.

Intellectual Property Rights Governed by both Federal and State Law

Trademarks and service marks

A “mark” is the use of one or more words, symbols, or logos to identify and distinguish the mark owner’s goods and/or services. A trademark is a mark used for goods; a service mark is a mark used in connection with providing services. U.S. trademarks and service marks generally must (i) be different from prior marks, (ii) not be generic, and (iii) not be merely descriptive unless they have acquired distinctiveness. U.S. federal trademark law is governed by the Lanham Act, codified at 15 U.S.C. § 1051 et seq. The USPTO is responsible for examining trademark and service mark applications and either granting or rejecting applications to register marks. Once granted, a trademark or service mark provides its owner with nationwide exclusivity within one or more particular fields of use.

State law may also provide common law trademark rights upon first use in commerce, limited to the state of use.

The owner of a trademark generally has a cause of action for infringement against a defendant who uses a mark that is likely to cause confusion in the relevant marketplace. Available remedies include injunctions, actual monetary damages, accounting of the defendant’s profits, and in some cases, attorneys’ fees.

REGULATORY OVERVIEW

Trade secrets

A trade secret is information that (i) has independent economic value from being generally unknown by the public and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. Trade secrets are governed by both federal and state law. The Defend Trade Secrets Act, codified at 18 U.S.C. § 1836, et seq. (“**DTSA**”), is the federal trade secret law. Enacted in 2016, the DTSA applies to trade secrets related to products or services used in, or intended for, interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure in limited circumstances. Most states have enacted the Uniform Trade Secrets Act or similar legislation, and trade secret owner may have an choice of forum between federal and state law.