
REGULATORY OVERVIEW

LAWS AND REGULATIONS ON WORK SAFETY AND CHEMICALS

Work Safety Law of the People’s Republic of China

According to the Work Safety Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress (“NPCSC”) on June 29, 2002, and amended on August 27, 2009, August 31, 2014, and June 10, 2021, with effect from September 1, 2021, production and operation entities shall: (I) Possess the work safety conditions stipulated by this Law and relevant laws, administrative regulations, and national or industry standards; (II) Establish a comprehensive work safety responsibility system and work safety rules and regulations; (III) Formulate work safety standards to ensure work safety. Production and business entities that do not meet the conditions for work safety shall not engage in production and business activities. Any special equipment used by enterprises that involves life safety or poses significant hazards, as well as containers and transport vehicles for hazardous materials, must be manufactured by specialized production entities in accordance with relevant national regulations. Such equipment must undergo inspection and testing by qualified inspection and testing institutions, obtain a certificate of safe use or safety mark, and be approved as safe before it can be put into service. In addition, entities engaged in the production, operation, transportation, storage, or use of hazardous materials, or the disposal of discarded hazardous materials, shall be subject to approval and supervision by the relevant competent authorities in accordance with applicable laws, regulations, and national or industry standards.

Regulations on the Work Safety Permits

Pursuant to the Regulations on Work Safety Permits promulgated by the State Council on January 13, 2004, and amended and effective as of July 29, 2014, as well as the Implementation Measures for Work Safety Permits of Hazardous Chemicals Production Enterprises promulgated by the Ministry of Emergency Management (formerly State Administration of Work Safety) on May 17, 2004, and last amended and effective as of March 6, 2017, the state has implemented a work safety permit system for mining enterprises, construction companies, and enterprises producing hazardous chemicals, fireworks, and civilian explosive materials. Hazardous chemical production enterprises shall not engage in production activities without obtaining a work safety permit. The State Administration of Work Safety is responsible for issuing and managing work safety permits for central enterprises and their directly controlled hazardous chemical production enterprises (headquarters). The work safety supervision and administration departments of provincial, autonomous regional, and municipal people’s governments of the People’s Republic of China are responsible for issuing and managing work safety permits for other hazardous chemical production enterprises.

Regulations on the Safety Management of Hazardous Chemicals

The Regulations on the Safety Management of Hazardous Chemicals, promulgated by the State Council on January 26, 2002, and last amended and took effect on December 7, 2013, stipulate the safety management requirements for the production, storage, use, operation, and transportation of hazardous chemicals. Hazardous chemicals refer to the highly toxic chemicals and other chemicals which are toxic, corrosive, explosive, flammable or combustion-supporting and can harm people, facilities or the environment. The relevant Chinese government departments will issue and adjust the Catalogue of Hazardous Chemicals as appropriate. Hazardous chemical manufacturers must obtain a hazardous chemical production safety permit before commencing production; otherwise, they shall not engage in production activities. Any entity that engages in production without obtaining a work safety permit may be ordered by the relevant work safety supervision and administration department to cease production, have its illegal gains confiscated, and be fined. If such actions constitute a crime, criminal liability shall be pursued according to law. Where an enterprise’s work safety permit expires and requires extension, it shall apply for extension procedures three months prior to the expiration date.

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Administrative Measures for the Registration of Hazardous Chemicals

According to the “Administrative Measures for the Registration of Hazardous Chemicals” promulgated by the Ministry of Emergency Management (formerly State Administration of Work Safety) on July 1, 2012, and effective as of August 1, 2012, newly established hazardous chemical production enterprises shall complete hazardous chemical registration prior to final completion acceptance. The Hazardous Chemicals Registration Certificate is valid for three years. Enterprises shall extend its validity period before the expiration date. The Hazardous Chemicals Registration Certificate shall specify the nature of the enterprise, registered varieties, validity period, and other relevant information. Among them, the nature of the enterprise shall indicate the producer or importer and/or producer of the hazardous chemicals.

Safety Supervision and Administration Measures for Hazardous Chemical Construction Projects

According to the “Safety Supervision and Administration Measures for Hazardous Chemical Construction Projects” promulgated by the Ministry of Emergency Management (formerly State Administration of Work Safety) on January 30, 2012, effective as of April 1, 2012, and revised on May 27, 2015, effective as of July 1, 2015, new, reconstruction, or expansion projects for the production or storage of hazardous chemicals shall undergo safety condition reviews and safety facility design reviews. Safety reviews shall be conducted by the work safety supervision and administration departments at corresponding levels. The construction unit shall submit applications before the commencement of the construction project and after the completion of the design, respectively. The construction unit shall organise the final acceptance inspection of safety facilities, and the work safety supervision and administration department shall verify the acceptance results.

LAWS AND REGULATIONS ON ENERGY CONSERVATION

The Energy Conservation Law of the People’s Republic of China

According to the latest revision of the Energy Conservation Law of the People’s Republic of China, adopted by the Standing Committee of the National People’s Congress on October 26, 2018, and effective on the same date, the state implements an energy conservation assessment and review system for fixed-asset investment projects. Projects that fail to meet mandatory energy efficiency standards shall not be commenced by the construction unit; those already completed shall not be put into production or use.

The Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects

According to Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects promulgated by the National Development and Reform Commission on July 17, 2025, and effective as of September 1, 2025, the energy efficiency review opinion for fixed asset investment projects serves as a crucial basis for project commencement, completion acceptance, and operational management. For government-funded projects, the construction unit must obtain an energy conservation review opinion issued by the energy conservation review authority before submitting the project feasibility study report. For enterprise-funded projects, the construction unit must obtain an energy conservation review opinion prior to commencing construction. Projects that have not undergone energy conservation review as required, or whose energy conservation review has not been approved, shall not be commenced by the construction unit. Those already completed shall not be put into production or use.

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LAWS AND REGULATIONS ON FIRE PROTECTION

Fire Protection Law of the People’s Republic of China

According to the Fire Protection Law of the People’s Republic of China, as amended by the Standing Committee of the National People’s Congress on April 29, 2021, and effective on the same date, the emergency management departments of the State Council and local people’s governments at or above the county level shall supervise and manage fire protection work. The fire protection design and construction of construction projects must comply with national engineering construction fire protection technical standards.

LAWS AND REGULATIONS ON PRODUCT LIABILITY

The Product Quality Law of the People’s Republic of China

According to the revised Product Quality Law of the People’s Republic of China, which was amended by the Standing Committee of the National People’s Congress and took effect on December 29, 2018, producers and sellers shall establish and improve internal product quality management systems, strictly implement position-specific quality standards, quality responsibilities, and corresponding assessment methods. Producers and sellers shall bear product liability in accordance with this law.

Quality of products shall pass standard examinations and no substandard products shall be used as qualified ones. Industrial products which may be hazardous to the health of the people and the safety of lives and property shall conform to the State and trade standards for ensuring the health of the human body and safety of lives and property. In absence of such State or trade standards, the products shall conform to the minimum requirements for ensuring the health of the human body and the safety of lives and property. It is prohibited to produce or sell industrial products that do not come to the requirements and demands for physical health and safety of body and property. Producers or sellers shall be responsible for any compensation arising from their unlawful acts such as production or sales of defective, eliminated or ineffective products, faking the place of origin or quality marks, mixing or adulterating products or passing off imitations as genuine, substandard products as qualified ones or non-conforming products as conforming. Penalties include confiscation of proceeds from such unlawful sales, revocation of business licenses and imposition of fines. In serious cases, the offender shall be investigated for criminal liability according to law. Producers or sellers shall be liable for any damage to any person or property due to the defects of products resulting from their defaults.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The Ecological Environment Code of the People’s Republic of China

The Ecological Environment Code of the People’s Republic of China (the “Ecological Environment Code”), adopted by the National People’s Congress on March 12, 2026, and effective as of August 15, 2026, establishes a comprehensive regulatory system for the protection of the ecological environment, prevention and control of pollution and other public hazards, and safeguarding of public health and ecological environmental rights and interests. The Ecological Environment Code consists of five parts with 1,242 articles, namely General Provisions, Pollution Prevention and Control, Ecological Protection, Green and Low-Carbon Development, and Legal Liability and Supplementary Provisions.

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Upon the effectiveness of the Ecological Environment Code, the Environmental Protection Law of the People’s Republic of China and nine other separate environmental laws were simultaneously repealed.

Under the Ecological Environment Code, the competent department of ecology and environment under the State Council is responsible for formulating national ecological environment quality standards and national pollutant discharge standards. For items not specified in the national ecological environment quality standards, provincial, autonomous regional, and municipal governments may establish local ecological environment quality standards and local pollutant discharge standards.

The Ecological Environment Code stipulates that enterprises and other producers and operators shall take effective measures to prevent and reduce environmental pollution and ecological damage, conserve and intensively utilise resources, control greenhouse gas emissions, fulfil their obligations for green and low-carbon development, and bear liability for any damage caused thereby. Enterprises subject to pollutant discharge permit management shall obtain pollutant discharge permits and discharge pollutants in accordance with the requirements thereof. Those without a valid pollutant discharge permit shall not discharge pollutants.

Enterprises violating the Ecological Environment Code shall be ordered to rectify, fined, or ordered to suspend production or use, depending on the severity of the violation. Violations of the Ecological Environment Code that constitute a crime shall be subject to criminal liability in accordance with the law.

Regulations on Environmental Protection Management of Construction Projects

According to the Regulations on Environmental Protection Management of Construction Projects promulgated by the State Council on November 29, 1998, last amended on July 16, 2017, and effective as of October 1, 2017. Upon completion of a construction project, the construction unit shall inspect the completed environmental protection facilities and prepare an acceptance report in accordance with the rules and procedures stipulated by the national environmental protection authorities. Only construction projects that have been accepted as qualified may commence operations or be made available for use. The Ministry of Environmental Protection (abolished) (“**MEP**”) promulgated and implemented the Interim Measures for Environmental Protection Acceptance upon Completion of Construction Projects on November 20, 2017. The Measures specify the procedures and standards for construction units to conduct environmental acceptance inspections upon completion of relevant projects.

Regulations on the Administration of Pollutant Discharge Permits

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits promulgated by the State Council on January 24, 2021, amended and effective from March 1, 2021, discharging entities subject to pollutant discharge permit management shall apply for and obtain a pollutant discharge permit. The Regulations implement key management, simplified management, and pollutant discharge registration management based on the extent of environmental impact caused by pollutant discharging entities. The discharge permit is valid for five years. Discharging entities must apply for renewal before expiration and shall, in accordance with the law, complete amendment procedures or reapply when discharge information changes.

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Laws and Regulations on Companies

According to the latest revision of the Company Law of the People’s Republic of China (the “**Company Law**”) enacted by the Standing Committee of the National People’s Congress on December 29, 2023, and effective as of July 1, 2024, both limited liability companies and joint-stock limited companies established within the territory of the People’s Republic of China possess legal personality. Shareholders of a limited liability company shall be liable to the company only to the extent of their subscribed capital contributions. Shareholders of a joint-stock company shall be liable to the company only to the extent of their subscribed shares. The Company Law also applies to foreign-invested enterprises. Where foreign investment laws contain special provisions, such provisions shall apply.

Laws and Regulations on Foreign Investment

The Foreign Investment Law of the People’s Republic of China (“**Foreign Investment Law**”) was promulgated on March 15, 2019, and took effect on January 1, 2020. It superseded the Law of the People’s Republic of China on Sino-Foreign Equity Joint Ventures, the Law of the People’s Republic of China on Sino-Foreign Cooperative Joint Ventures, and the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises. The State Council promulgated the Implementing Regulations of the Foreign Investment Law of the People’s Republic of China (“**Implementing Regulations**”) on December 26, 2019. These regulations took effect on January 1, 2020, superseding the Implementing Regulations of the Sino-Foreign Equity Joint Venture Enterprise Law of the People’s Republic of China, the Provisional Regulations on the Term of Sino-Foreign Equity Joint Ventures, the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-Foreign Cooperative Joint Ventures, and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises. These Regulations further elaborate on the provisions of the Foreign Investment Law to ensure its effective implementation.

According to the “Regulations on Guiding the Direction of Foreign Investment” promulgated by the State Council on February 11, 2002 and effective as of April 1, 2002, foreign investment projects are classified into four categories: encouraged, permitted, restricted, and prohibited. Foreign investment projects falling under the encouraged, restricted, and prohibited categories are listed in the Catalogue of Industries Encouraging Foreign Investment and the Special Administrative Measures for Foreign Investment Access (Negative List) (“**Negative List**”). Foreign investment projects not classified as encouraged, restricted, or prohibited shall be categorised as permitted foreign investment projects.

The Negative List, issued by the National Development and Reform Commission (“**NDRC**”) and the Ministry of Commerce on September 6, 2024, and effective as of November 1, 2024, specifies industries that are “prohibited” and “restricted” for foreign investment. Investment in industries covered by restricted categories in the negative list must obtain permits issued by the competent authorities.

The Foreign Investment Law regulates investment activities conducted directly or indirectly within China by foreign natural persons, enterprises, or other organizations. Investment activities include establishing foreign-invested enterprises in China, acquiring shares, equity interests, property interests, or other similar rights and interests in enterprises, investing in new projects in China, and undertaking other investments as prescribed by laws, administrative regulations, or the State Council. Under the Foreign Investment Law, the Chinese government provides foreign investors with pre-establishment national treatment plus a negative list management system. Accordingly, foreign investors and their investments receive treatment no less favourable than that accorded to domestic investors and their investments during the investment access phase. For foreign investments outside the scope of the negative list, the state grants national treatment, which stipulates special administrative measures for market access applicable to foreign investments in specific sectors.

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Laws and Regulations on Dividend Distribution

The Company Law sets forth the principal regulations concerning dividend distribution. Dividend distributions by wholly foreign-owned enterprises are further regulated by the Foreign Investment Law and its implementing regulations.

Under such laws and regulations, Chinese companies (including wholly foreign-owned enterprises) may only pay dividends from their accumulated profits (if any) as determined in accordance with Chinese accounting principles. In addition, under Chinese accounting principles, Chinese companies (including wholly foreign-owned enterprises) must retain at least 10% of their post-tax profits annually as statutory reserves until the accumulated amount of these reserves reaches 50% of their registered capital. Such reserves shall not be distributed as cash dividends. In addition, wholly foreign-owned enterprises in China must also retain funds as appropriate and in accordance with their articles of association for employee incentives and benefits. Such reserves or funds shall not be distributed as dividends.

LAWS AND REGULATIONS ON TAX

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (“**Enterprise Income Tax Law**”), promulgated by the National People’s Congress on March 16, 2007, and last amended and effective as of December 29, 2018 by the Standing Committee of the National People’s Congress, and the Enterprise Income Tax Law of the People’s Republic of China Implementation Regulations (2024 Revision) (“**Enterprise Income Tax Law Implementation Regulations**”) promulgated by the State Council on December 6, 2007, revised on December 6, 2024, and effective on January 20, 2025, enterprises and other organizations deriving income shall pay enterprise income tax. Under the Enterprise Income Tax Law, enterprises are classified as resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise established within China, or one established under the laws of a foreign country (or region) but with its place of effective management within China, which is subject to a uniform 25% corporate income tax rate on its worldwide income. It is also stipulated that qualified “small and low-profit enterprises” shall be subject to a reduced corporate income tax rate of 20%, while “high-tech enterprises” in industries prioritized by the Chinese government shall be subject to a reduced corporate income tax rate of 15%. In certain circumstances, enterprise income tax may be exempted or reduced, or enterprise income tax incentives may be granted.

Dividend Tax

Under the Enterprise Income Tax Law, dividend and other equity investment income (referring to investment income derived from a resident enterprise’s direct investment in another resident enterprise) between qualified Chinese resident enterprises is exempt from taxation.

According to the Notice of the State Administration of Taxation on Issues Concerning the Implementation of Dividend Provisions in Tax Treaties, effective on February 20, 2009, to qualify for the preferential tax rate stipulated in the tax treaty, all of the following requirements must be met: (1) The tax resident receiving the dividends must be limited to a company as defined by the tax treaty; (2) The proportion of equity and voting shares in the Chinese resident company directly held by the tax resident must meet the percentage specified in the tax treaty; and (3) The tax resident must directly hold equity in the Chinese resident company at any time within the twelve consecutive months preceding the receipt of dividends, and such holding

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must meet the percentage specified in the tax treaty. On February 3, 2018, the State Administration of Taxation issued the Announcement on Issues Concerning “Beneficial Owners” in Tax Treaties (effective on April 1, 2018), providing clearer guidelines and adopting a comprehensive assessment approach to determine whether a company qualifies as a beneficial owner—a prerequisite for enjoying preferential tax rates on dividends.

According to the “Administrative Measures for Non-Resident Taxpayers to Enjoy Treaty Benefits” promulgated by the State Taxation Administration on October 14, 2019, and effective as of January 1, 2020, non-resident taxpayers shall enjoy treaty benefits under the principle of “self-assessment, declaration-based enjoyment, and retention of relevant documentation for inspection”. Non-resident taxpayers who independently determine that they meet the conditions for claiming treaty benefits may, in accordance with the provisions of these measures, claim such benefits either when filing their tax returns or through the withholding agent when filing the withholding tax return. They shall simultaneously compile and retain relevant data for future reference, and accept subsequent management by the tax authorities.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the People’s Republic of China promulgated on December 25, 2024, and effective as of January 1, 2026, all entities and individuals engaged in the sale of goods, processing or repair services, the sale of services, intangible assets, or real estate within China, as well as the importation of goods, shall pay value-added tax on the value added generated from processing, production, sales, or services. Such entities and individuals shall be deemed taxpayers of value-added tax (“VAT”) and shall be liable for VAT payment. Unless otherwise specified, the value-added tax rate shall be 13% for taxpayers selling goods, services, tangible movable property leasing services, or importing goods. Taxpayers selling transportation, postal, basic telecommunications, construction, or real estate leasing services; selling real estate; transferring land use rights; or selling or importing the following goods shall be subject to a 9% tax rate. Taxpayers selling services or intangible assets shall be subject to a 6% tax rate.

Laws and Regulations on Land

According to the Land Administration Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress on June 25, 1986, last amended on August 26, 2019, and effective as of January 1, 2020, and the Implementation Regulations for Land Administration Law of the People’s Republic of China, promulgated by the State Council on January 4, 1991, last amended on July 2, 2021, and effective as of September 1, 2021, land in China is owned by the state or collectively. State-owned land and land collectively owned by farmers may be allocated for use by organizations or individuals according to law. The legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals. For the temporary use of state-owned land or land collectively owned by farmers for construction projects or geological surveys, approval shall be granted by the competent natural resources department of the people’s government at or above the county level. Land users shall enter into temporary land use contracts with the relevant natural resources authorities or rural collective economic organizations and village committees based on land ownership, and pay temporary land use compensation fees in accordance with the terms of the contract. The term for temporary land use shall generally not exceed two years.

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LAWS AND REGULATIONS ON ENGINEERING CONSTRUCTION

Construction Project Planning Permit

According to the Urban and Rural Planning Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress on October 28, 2007, and last amended on April 23, 2019, any construction unit or individual undertaking the construction of buildings, structures, roads, pipelines, or other engineering projects within the planning areas of cities or towns shall apply to the competent urban and rural planning authority of the city or county people’s government, or to the town people’s government designated by the people’s government of a province, autonomous region, or municipality directly under the central government, for a construction project planning permit.

Construction Project Construction Permit

According to the Construction Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress on November 1, 1997, and last amended and implemented on April 23, 2019, prior to the commencement of construction projects, the construction unit shall apply to the construction administrative department of the people’s government at or above the county level where the project is located for a construction permit in accordance with relevant national regulations; however, this requirement does not apply to small-scale projects below the threshold determined by the construction administrative department of the State Council.

Completion Acceptance of Construction Projects

According to the Regulations on Quality Management of Construction Projects promulgated and implemented by the State Council on April 23, 2019, the construction unit shall, prior to commencement of work, complete the procedures for engineering quality supervision in accordance with relevant national provisions. These procedures may be combined with the application for a construction permit or the submission of a commencement report. Upon receiving the construction project completion report, the construction unit shall organise the relevant units, including the design unit, construction unit, and engineering supervision unit, to conduct the completion acceptance. Construction projects may only be delivered for use after passing the completion acceptance.

Laws and Regulations on House Leasing

According to the “Measures for the Administration of Commercial Housing Leases” promulgated by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on December 1, 2010, and effective as of February 1, 2011, within thirty days after the conclusion of a housing lease agreement, the parties to the lease shall register and file the lease with the competent construction (real estate) authority of the Chinese government at the municipal, city, or county level where the leased property is located. Violations of these regulations shall be ordered to be rectified within a specified time limit by the competent construction (real estate) authorities of the municipal, city, or county governments. Individuals or entities failing to rectify violations within the specified time limit shall be subject to fines.

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LAWS AND REGULATIONS ON THE IMPORT AND EXPORT OF PRODUCTS

The Foreign Trade Law of the People’s Republic of China

Pursuant to the Foreign Trade Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress on May 12, 1994, and last amended on December 27, 2025, the filing registration system for foreign trade operators shall be abolished on and from December 30, 2022. The Chinese government implements a system of free import and export of goods and technology, except as otherwise provided by laws and administrative regulations. By December 30, 2022, foreign trade operators engaged in the import or export of goods or technology shall complete filing registration with the competent foreign trade authority of the State Council or its designated agency, except where otherwise stipulated by laws, administrative regulations, or the competent foreign trade authority of the State Council. If a foreign trade operator fails to go through the filing and registration procedures in accordance with regulations, the customs shall not handle the formalities for customs declaration, inspection and release of imported and exported commodities.

The Law of the People’s Republic of China on Import and Export Commodity Inspection

Pursuant to the Law of the People’s Republic of China on Import and Export Commodity Inspection, as last amended by the Standing Committee of the National People’s Congress on April 29, 2021, and effective on the same date, and the Regulations for Implementation of the Law of the People’s Republic of China on Import and Export Commodity Inspection, as last amended by the State Council on March 29, 2022, and effective on May 1, 2022, and with certain provisions repealed on August 15, 2026, the General Administration of Customs of the People’s Republic of China is responsible for overseeing the inspection of imported and exported commodities nationwide. Its subordinate entry-exit inspection and quarantine agencies conduct inspections on imported and exported commodities listed in the catalogue, as well as other imported and exported commodities required by laws and administrative regulations to undergo inspection by entry-exit inspection and quarantine agencies. For import and export commodities other than those subject to the aforementioned inspections, entry-exit inspection and quarantine agencies shall conduct random sampling inspections in accordance with national regulations. Imported goods that require inspection but have not undergone inspection shall not be sold or used. Export goods that are subject to mandatory inspection but have not been inspected or have failed inspection shall not be exported. The consignee or consignor of imported or exported goods may handle inspection declaration procedures independently or entrust an inspection declaration agency to handle them.

Laws and Regulations on Customs

According to the Customs Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress on January 22, 1987, and most recently amended and effective as of April 29, 2021, the Customs of the People’s Republic of China is the state organ responsible for supervising and administering the entry and exit of goods across the national border. The Customs is responsible for supervising the entry and exit of vehicles, goods, luggage, postal items, and other articles across the customs border, and for collecting customs duties and other taxes and fees. The consignees and consignors for imported or exported goods and the customs brokers engaged in customs declaration shall register with the customs in accordance with law.

Pursuant to the “Administrative Provisions of the Customs of the People’s Republic of China on the Registration and Filing of Customs Declaration Entities” as last amended by the General Administration of Customs on May 29, 2018, and effective as of July 1, 2018, as well

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as the “Administrative Provisions of the Customs of the People’s Republic of China on the Filing of Customs Declaration Entities” promulgated on November 19, 2021, and effective as of January 1, 2022, which shall apply upon the repeal of the aforementioned provisions, registration of customs declaration entities is divided into two categories: registration of customs declaration enterprises (which must obtain registration approval from the direct-reporting customs office at their location or its authorised subordinate customs office before conducting customs declaration operations) and registration of import/export goods consignees/consignors (which does not require additional approval).

Laws and Regulations on Foreign Exchange

Pursuant to the Regulations of the People’s Republic of China on Foreign Exchange Administration (the “**Foreign Exchange Regulations**”) promulgated by the State Council on January 29, 1996, and last amended and effective as of August 5, 2008, foreign exchange income of domestic institutions and individuals may be repatriated to China or deposited overseas. Domestic institutions and individuals making direct investments abroad or engaging in the issuance or trading of overseas securities and derivatives shall register in accordance with the regulations of the foreign exchange administration department of the State Council. Where national regulations require prior approval or filing with the relevant competent authorities, such approval or filing procedures shall be completed before foreign exchange registration.

The Regulations on Foreign Exchange Settlement, Sale, and Payment issued by the People’s Bank of China on June 20, 1996, and effective as of July 1, 1996, stipulate that foreign-invested enterprises may conduct foreign exchange settlement, sale, and payment transactions for capital account items only after providing valid commercial supporting documents and obtaining approval from the State Administration of Foreign Exchange of the People’s Republic of China. Effective June 1, 2015, and with certain provisions repealed on December 30, 2019, the “Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Management Policies for Direct Investment” (“**Circular No. 13**”) stipulated the simplification of procedures for handling foreign exchange transactions related to direct investment. Pursuant to Circular No. 13, banks shall directly review and process foreign exchange registration for domestic direct investment and foreign direct investment.

According to the “Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Cross-border Trade and Investment Facilitation” issued and implemented on December 4, 2023, the use of foreign exchange income under capital contributions and foreign debt of non-financial enterprises, as well as the Renminbi funds obtained from their exchange, shall adhere to the principles of authenticity and self-use. Such funds shall not be directly or indirectly used for expenditures prohibited by national laws and regulations; Unless otherwise explicitly stipulated, such funds shall not be directly or indirectly used for securities investment or other investment and wealth management activities (except for wealth management products and structured deposits with a risk rating no higher than Level 2); Such funds shall not be used to extend loans to non-affiliated enterprises (except where explicitly permitted by business scope and in the following four designated zones: Lingang New Area of China (Shanghai) Pilot Free Trade Zone, Nansha New Area of China (Guangdong) Pilot Free Trade Zone, Yangpu Economic Development Zone of China (Hainan) Free Trade Port, and Beilun District of Ningbo City, Zhejiang Province); such funds shall not be used to purchase residential properties for non-self-use purposes (except for enterprises engaged in real estate development or real estate leasing operations).

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LAWS AND REGULATIONS ON COMBATING UNFAIR COMPETITION

The Anti-unfair Competition Law of the People’s Republic of China

According to the Anti-Unfair Competition Law of the People’s Republic of China (the “Anti-Unfair Competition Law”), as last amended by the Standing Committee of the National People’s Congress on June 27, 2025, and effective as of October 15, 2025, operators shall adhere to the principles of voluntariness, equality, fairness, and good faith in market transactions, and shall comply with laws and commercial ethics. The term “unfair competition practices” as defined in the Anti-Unfair Competition Law refers to acts committed by business operators in their production and business activities that violate the provisions of the Anti-Unfair Competition Law, disrupt the order of market competition, and harm the lawful rights and interests of other business operators or consumers. Operators who violate the provisions of the Anti-Unfair Competition Law shall bear civil liability, administrative liability, and criminal liability according to the specific circumstances.

The Anti-Monopoly Law of the People’s Republic of China

According to the Anti-Monopoly Law of the People’s Republic of China (the “Anti-Monopoly Law”), as last amended on June 24, 2022, and effective as of August 1, 2022, monopolistic conduct in economic activities within China, as well as monopolistic conduct outside China that has the effect of excluding or restricting competition in the domestic market, shall be subject to the Anti-Monopoly Law. Monopolistic conduct as defined by the Anti-Monopoly Law includes operators entering into monopolistic agreements, operators abusing their market dominance, and business combinations that have or may have the effect of excluding or restricting market competition. Operators who violate the provisions of the Anti-Monopoly Law may be subject to fines, confiscation of illegal gains, and orders to cease illegal activities by the anti-monopoly enforcement authorities.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

Patents in China are primarily protected under the Patent Law of the People’s Republic of China, enacted by the Standing Committee of the National People’s Congress in 1984 and subsequently amended in 1992, 2000, 2008, and 2020, along with its implementing regulations. The latest applicable Patent Law was promulgated on October 17, 2020, and took effect on June 1, 2021. After a patent for invention or utility model is granted, unless otherwise provided by law, no entity or individual may implement the patent without the patent holder’s authorisation. This means no one may manufacture, use, offer for sale, sell, or import the patented product for production or business purposes, or use the patented method, or use, offer for sale, sell, or import products directly obtained by the patented method. After a design patent is granted, no entity or individual may implement the patent without the patent holder’s authorisation, meaning they may not manufacture, offer for sale, sell, or import the patented design product for production or business purposes. Upon a finding of patent infringement, the infringer shall undertake to cease the infringing activities, take corrective measures, and compensate for damages. The term of a patent for invention is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all calculated from the filing date.

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Trademark

Pursuant to the Trademark Law of the People’s Republic of China (2019 Revision) and the Implementing Regulations of the Trademark Law of the People’s Republic of China (2014 Revision), entities and individuals who require exclusive trademark rights for their goods or services in production and business operations shall apply to the Trademark Office for trademark registration. The exclusive right to a registered trademark is limited to the trademark as approved for registration and the goods for which it is authorised for use. The validity period of a registered trademark is 10 years, calculated from the date of approval of registration. The trademark registrant may renew the registration within 12 months prior to the expiration date.

The Trademark Law was revised on June 26, 2026, and the revised version will take effect on January 1, 2027. The regulatory overview herein is based on the currently effective 2019 Revision.

Domain Name

According to the “Measures for the Administration of Internet Domain Names” promulgated by the Ministry of Industry and Information Technology of the People’s Republic of China (“MIIT”) on August 24, 2017, and effective as of November 1, 2017, the MIIT is responsible for managing Internet domain names in China. “CN” and “China” shall be the country code top-level domain for China. Domain name services operate on a “first-come, first-served” basis. Domain name registrars provide domain name registration services, require applicants to provide true, accurate, and complete identity information of the domain name holder for registration, and verify the authenticity and completeness of domain name registration data.

LAWS AND REGULATIONS ON LABOUR AND SOCIAL INSURANCE

Labour

According to the Labour Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress on July 5, 1994, effective as of January 1, 1995, and most recently amended on December 29, 2018, employers shall establish and improve rules and regulations in accordance with the law to ensure employees enjoy their labour rights.

Pursuant to the Labour Contract Law of the People’s Republic of China promulgated by the Standing Committee of the National People’s Congress on June 29, 2007, effective as of January 1, 2008, and amended on December 28, 2012, as well as the Implementing Regulations of the Labour Contract Law of the People’s Republic of China promulgated by the State Council and effective as of September 18, 2008, employers and employees shall enter into written labour contracts to establish an employment relationship. The employment contract shall specify the term of employment, duties, compensation, disciplinary provisions, and the conditions for termination of the employment contract. Where an employment relationship has been established but a written employment contract has not been simultaneously entered into, a written employment contract shall be concluded within one month from the date of commencement of employment.

According to the Occupational Disease Prevention and Control Law of the People’s Republic of China, promulgated by the Standing Committee of the National People’s Congress on October 27, 2001, and amended on December 31, 2011, July 2, 2016, November 4, 2017, and December 29, 2018, occupational disease prevention and control efforts shall adhere to the

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principle of “prioritizing prevention and integrating prevention with treatment”, implementing categorised management and comprehensive governance. Workers are entitled to occupational health protection under the law. Employers shall provide workers with a work environment and conditions that meet national occupational health standards and hygiene requirements, and shall take measures to ensure workers receive occupational health protection.

Regulations on Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the People’s Republic of China promulgated on October 28, 2010, effective as of July 1, 2011, and subsequently amended and effective as of December 29, 2018, as well as the Provisional Regulations on the Collection of Social Insurance Premiums the Regulations on Work-Related Injury Insurance, the Regulations on Unemployment Insurance, and the Trial Measures for Maternity Insurance for Enterprise Employees, employers must register with social insurance institutions and make contributions to social insurance programs, including basic pension insurance, basic medical insurance, maternity insurance, work-related injury insurance, and unemployment insurance. Basic pension insurance, basic medical insurance, and unemployment insurance are jointly funded by employers and employees. Work-related injury insurance and maternity insurance are funded solely by employers. If an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order the employer to pay or make up the arrears within a specified period, and shall impose a late payment penalty of 0.05% of the outstanding amount per day from the date of default. If payment is still not made after the deadline, the relevant administrative department shall impose a fine of one to three times the amount of the arrears.

Pursuant to the Housing Provident Fund Administration Regulations, which took effect on April 3, 1999, and were last amended on August 10, 2026, effective from September 20, 2026, employers shall register for housing provident fund contributions with the Housing Provident Fund Management Centre. Following review by the Management Centre, employers shall establish housing provident fund accounts for their employees at the relevant bank. Employers shall also make timely and full contributions to the housing provident fund for their employees.

If the employer still fails to complete the payment and deposit after the specified period expires, the Housing Provident Fund Management Centre may apply to the People’s Court for enforcement.

Laws and Regulations on Overseas Direct Investment

The Measures for the Administration of Overseas Investment was promulgated by the Ministry of Commerce on September 6, 2014 and took effect on October 6, 2014. According to the Measures, overseas investment refers to the act by enterprises lawfully established within China of acquiring ownership, control, and operational management rights of non-financial enterprises abroad through establishment, mergers and acquisitions, or other means, or of obtaining such rights in existing non-financial enterprises. If an enterprise’s overseas investment involves sensitive countries, regions, or industries, it must undergo approval management. Other overseas investments shall be subject to filing management. Local enterprises must register with the provincial commerce authorities in their respective locations. Enterprises that meet the relevant requirements shall be registered by the provincial-level commerce authorities, which shall issue certificates for overseas investment to them.

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The Measures for the Administration of Enterprise Overseas Investment were promulgated by the NDRC on December 26, 2017, and took effect on March 1, 2018. Under these Measures, sensitive overseas investment projects undertaken by Chinese enterprises either directly or through their overseas controlled entities must be approved by the NDRC. Additionally, non-sensitive overseas investment projects undertaken directly by Chinese enterprises must be filed with the NDRC or the development and reform departments of provincial-level governments. For Chinese enterprises undertaking substantial non-sensitive overseas investment projects through their overseas-controlled entities, where the investment amount reaches US\$300 million or more, such Chinese enterprises must submit detailed reports on these substantial non-sensitive projects to the NDRC prior to implementing such projects. Where a Chinese resident acting as a natural person makes overseas investments through an overseas enterprise under its control, these Measures shall apply mutatis mutandis. Subsequently, on January 31, 2018, the NDRC issued the Catalogue of Sensitive Industries for Overseas Investment (2018 Edition), which took effect on March 1, 2018. Pursuant to this catalogue, enterprises undertaking overseas investments in certain industries are subject to restrictions, including but not limited to new media, real estate, and the hotel industry.

Regulations on the Overseas Issuance of Securities and Listing by Domestic Enterprises

The Securities Law of the People’s Republic of China (the “Securities Law”), as last amended by the Standing Committee of the National People’s Congress on December 28, 2019, and effective as of March 1, 2020, has comprehensively regulated activities within China’s securities markets, including securities issuance and trading, acquisitions of listed companies, stock exchanges, and securities firms, as well as the duties of securities regulatory authorities. The Securities Law further stipulates that Chinese enterprises issuing securities directly or indirectly overseas or listing securities abroad shall comply with the relevant provisions of the State Council. Specific measures for subscribing to and trading shares of domestic Chinese companies in foreign currencies shall be separately prescribed by the State Council. The CSRC is the securities regulatory authority established by the State Council. It is responsible for supervising and regulating the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market. Currently, the issuance and trading of H shares are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

The CSRC issued the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (the “**Trial Measures**”) along with five supporting guidelines on February 17, 2023, which took effect on March 31, 2023. The Trial Measures comprehensively upgrade and reform the existing regulatory framework governing Chinese enterprises issuing securities and listing overseas, adopting a filing-based regulatory system to oversee both direct and indirect overseas securities issuances and listings by Chinese enterprises. Under the Trial Measures, Chinese enterprises intending to issue securities or list on overseas markets, either directly or indirectly, shall file with the CSRC within three (3) business days after submitting listing application documents to overseas regulatory authorities, and shall report relevant materials.

RELEVANT LAWS AND REGULATIONS IN HONG KONG

Regulations Relating to Business Registration

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every person carrying on any business to make application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is

REGULATORY OVERVIEW

made and as soon as practicable after the prescribed business registration fee and levy are paid, issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be.

Regulations Relating to Taxes

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (“IRO”) is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

The Inland Revenue (Amendment) (No. 3) Ordinance 2018 was enacted on March 29, 2018 (the “IRO Amendment Bill”), which introduces the two-tiered profit tax rates regime, i.e., the first HK\$2 million of profit of the qualifying group entity will be taxed at 8.25%, and profit above HK\$2 million will be taxed at 16.5%. The profit of group entity not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, starting from the year of assessment 2018/19, the Hong Kong profit tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profit and at 16.5% on the estimated assessable profit above HK\$2 million for the qualifying group entity.

The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

RELEVANT LAWS AND REGULATIONS IN POLAND

Corporate and commercial law

The principal legislation governing the incorporation, organisation and operation of limited liability companies in Poland is the Act of September 15, 2000 — the Commercial Companies Code (pol. *Kodeks spółek handlowych*, Journal of Laws of 2000, No. 94, item 1037, as amended) (the “**Commercial Companies Code**”).

Pursuant to the Commercial Companies Code, a limited liability company has legal personality and is liable for its obligations with all of its assets. The Commercial Companies Code regulates, inter alia, the corporate structure of a limited liability company, including its governing bodies, representation rules and internal management. The Commercial Companies Code also governs key corporate matters, including, among others, the rules concerning the transfer and encumbrance of shares, increases and decreases of the share capital, amendments to the articles of association, as well as mergers, divisions and transformations of companies. As a general principle, the Commercial Companies Code is of a framework and dispositive nature.

Foreign Investment and Capital Controls

Polish law does not impose restrictions on the establishment or operation of commercial enterprises by foreign investors. As a member state of the European Union, Poland ensures the free movement of capital. As a result, foreign investors are permitted to acquire and hold equity interests in Polish companies and to conduct business activities in Poland.

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Notwithstanding the above, certain foreign investment transactions may be subject to regulatory review mechanisms aimed at protecting public order, public security or public health. The principal legislation governing such review is the Act of July 24, 2015 on the Control of Certain Investments. This Act establishes a framework for the screening of transactions that may result in the acquisition of a significant shareholding or control over Polish entities. Under the Act, transactions subject to potential review include, among others, the acquisition of shares or equity interests, the acquisition of an enterprise or an organised part of an enterprise, or other arrangements that result in obtaining significant influence or a dominant position in a Polish company.

Competence to conduct proceedings under the Act is vested in the authority designated by law. In addition, Poland participates in the European Union framework for the screening of foreign direct investments established under Regulation (EU) 2019/452, which provides for cooperation and information exchange in relation to investments that may affect security or public order.

Separately from the foreign investment control regime described above, certain sector-specific statutory restrictions may apply to transactions involving foreign investors. In particular, Polish law provides for limitations with respect to the acquisition of agricultural land and certain types of real estate, by investors who are not citizens or entities of the European Union or the European Economic Area.

Environmental Protection and Chemical Substances Regulations

The principal national legislation governing environmental protection includes, in particular, the Act of April 27, 2001 — Environmental Protection Law, the Act of December 14, 2012 on Waste, the Act of July 20, 2017 — Water Law, as well as legislation governing environmental impact assessments and access to environmental information.

Such laws and regulations may require companies to obtain and maintain various administrative decisions and permits, including, among others, decisions on environmental conditions, permits relating to emissions to air or water, noise emissions, waste generation and management, and, where applicable, integrated permits covering multiple environmental aspects of industrial activity.

Failure to comply with environmental regulations may result in administrative measures, financial penalties and, in certain circumstances, civil or criminal liability.

In addition to the general environmental regime, activities involving chemical substances are subject to directly applicable European Union regulations, in particular Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (**REACH**) and Regulation (EC) No. 1272/2008 on the classification, labelling and packaging of substances and mixtures (**CLP**). These regulations impose obligations on manufacturers and other market participants relating to the registration of chemical substances.

Labour Law and Employment

Employment relationships in Poland are primarily governed by the Act of June 26, 1974 — the Labour Code. These provisions regulate the rights and obligations of employers and employees.

Under Polish labour law, the standard working time system is based on a maximum of eight hours per day and an average of forty hours per week.

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Polish labour law recognises various forms of employment, including employment based on employment contracts and, separately, civil law contracts. Employment contracts may be concluded for an indefinite period, a fixed term or, in limited cases, for a probationary period. Employment contracts provide employees with statutory employment. Civil law contracts, such as contracts of mandate or contracts for specific work, are governed by the Civil Code and do not constitute employment relationships within the meaning of the Labour Code.

Employers are also required to comply with occupational health and safety obligations, including ensuring safe working conditions. Compliance with labour law regulations is subject to supervision by the National Labour Inspectorate, which is authorised to conduct inspections and impose administrative measures in cases of non-compliance.

In addition, the employment of foreign nationals is subject to specific statutory requirements relating to work permits and residence permits, depending on the nationality of the employee and the nature of the work performed. Employers are required to ensure that foreign employees are legally authorised to work in Poland prior to commencement of employment.

Trade Unions

Trade unions and collective labour relations in Poland are governed primarily by the Act of May 23, 1991 on Trade Unions. Polish law guarantees employees the freedom of association, including the right to establish and join trade unions. Trade unions are entitled to represent and protect the rights and interests of employees in matters relating to employment, working conditions and remuneration. Where a trade union operates within an undertaking, the employer is required to cooperate with such trade union within the scope and on the terms provided by law. This cooperation may include, among others, consultation or agreement with the trade union in specific matters expressly provided for by statute, such as selected employment-related decisions or the adoption of internal regulations.

Collective labour disputes between employers and employees may arise in relation to working conditions, remuneration, social benefits or trade union rights and freedoms.

In addition, employee information and consultation rights are regulated by the Act of April 7, 2006 on Informing and Consulting Employees, which implements relevant European Union legislation. Under this Act, enterprises meeting statutory thresholds may be required to establish employee representative bodies (works councils) with rights to receive information and be consulted on specified matters.

Laws and Regulations on Work Safety and Occupational Health

Work safety and occupational health in Poland are governed primarily by the Act of June 26, 1974 — the Labour Code, together with implementing regulations and sector-specific legislation.

Under Polish law, employers are required to organise work in a manner ensuring occupational safety, provide employees with appropriate training and personal protective equipment. Employers are also required to ensure that machinery comply with applicable safety standards. Employers are further required to conduct medical examinations of employees, maintain occupational health documentation and cooperate with occupational health service providers. In the event of workplace accidents or occupational diseases, employers must comply with statutory reporting, investigation and remedial obligations.

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Taxation

The general corporate income tax rate in Poland is 19%, while a reduced rate may apply in certain circumstances provided by law. Taxable income is calculated as the difference between taxable revenues and tax-deductible costs, in accordance with statutory rules.

VAT is governed primarily by the Act of March 11, 2004 on Value Added Tax, which implements the relevant European Union VAT directives. VAT is generally charged at the standard rate applicable in Poland, subject to reduced rates or exemptions in specific cases provided by law. Taxpayers are required to register for VAT purposes, maintain appropriate records, issue VAT invoices and submit periodic VAT returns. The VAT system allows for the deduction of input VAT, subject to compliance with statutory requirements.

Payments of dividends, interest or royalties, may be subject to withholding tax in Poland. The applicable withholding tax rates may be reduced or eliminated under applicable double taxation treaties, provided that statutory conditions are met, including documentation and beneficial ownership requirements.

Transactions between related parties are subject to transfer pricing regulations, which require that such transactions be conducted on an arm's length basis. Polish tax law imposes documentation and reporting obligations in respect of related party transactions, including the preparation of transfer pricing documentation and the submission of information to tax authorities. Failure to comply with transfer pricing requirements may result in additional tax liabilities and penalties.

Competition and Antitrust Law

Polish and European Union competition is designed to ensure the proper functioning of markets and to prevent practices that restrict or distort competition. The principal national legislation governing competition matters in Poland is the Act of February 16, 2007 on Competition and Consumer Protection, supplemented, where applicable, by directly enforceable provisions of European Union law, including Articles 101 and 102 of the Treaty on the Functioning of the European Union.

Polish competition law prohibits agreements, arrangements or concerted practices between undertakings that have as their object or effect the prevention, restriction or distortion of competition. Such prohibitions apply irrespective of the legal form of the arrangement and cover both horizontal and vertical relationships, including agreements relating to price-fixing, market sharing, output limitations or the coordination of competitive behaviour. Agreements or practices that infringe competition law may be declared null and void and may give rise to administrative sanctions.

Competition law further prohibits the abuse of a dominant position on a relevant market. A dominant position is generally understood as a position that enables an undertaking to conduct that may constitute an abuse includes, among others, imposing unfair prices or trading conditions, limiting production, markets or technical development, or applying dissimilar conditions to equivalent transactions with other trading partners.

Certain concentrations of undertakings, including mergers, acquisitions of control and the creation of joint ventures, may be subject to mandatory merger control notification and prior clearance requirements. Transactions meeting specified turnover thresholds must be notified to the President of the Polish Office of Competition and Consumer Protection before their implementation. In cases of infringement, undertakings may be subject to significant financial penalties calculated by reference to their turnover, as well as to other remedial or corrective measures. In addition, certain infringements may give rise to civil liability for damages.

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Where an agreement, practice or transaction may affect trade between member states of the European Union, European Union competition law may apply concurrently with national law, and Polish authorities cooperate with the European Commission and other national competition authorities within the European Union enforcement framework.

Special Economic Zone/Polish Investment Zone

The Polish Investment Zone regime provides investment incentives throughout the entire territory of Poland, subject to statutory conditions. Under the Polish Investment Zone framework, investors carrying out new investments may obtain an administrative decision granting the right to benefit from public aid in the form of corporate income tax exemptions. Such exemptions apply to income generated from eligible activities carried out within the scope of the supported investment. The availability, duration and intensity of the tax exemption depend on a number of factors, including the location of the investment, the value of eligible investment expenditures or newly created jobs, and the size of the enterprise. The right to benefit from tax exemptions under the Polish Investment Zone is conditional upon compliance with the terms set out in the relevant decision on support, including obligations relating to the completion and maintenance of the investment, minimum expenditure levels, employment commitments and the duration of business activity. Failure to comply with these conditions may result in the loss or limitation of the granted tax benefits.

The Polish Investment Zone regime operates in accordance with applicable European Union state aid regulations. Accordingly, tax incentives granted under this framework are subject to EU rules on regional aid and must comply with maximum aid intensity thresholds applicable to the relevant region and type of investment.

LAWS AND REGULATIONS IN MALAYSIA

Licensing and Permit Requirements

Business Premise Licence

The Local Government Act 1976 empowers local authorities to grant licences or permits for any trade, occupation or premises and to pass their own. Pursuant to this, the Kulim Municipal Council passed the by-laws to regulate the issuance of trade and business licences as well as advertisement licences. The Licensing of Premises for Trades, Business and Industries By-Laws 2010 which provides that no person may use a place or premises within the Kulim Municipal Council's area for any trade, business or industry without a licence. The Council may issue a license for any period not exceeding three years and it may be renewed, subject to the payment of fees as prescribed in the Schedule. Failure to obtain and hold this licence constitutes an offence, which, on conviction, is punishable by a fine not exceeding RM2,000 and/or by imprisonment of a term not exceeding 1 year with a further fine not exceeding MYR200 for each day of non-compliance.

Manufacturing Licence under the Industrial Coordination Act 1975

The Industrial Co-ordination Act 1975 ("ICA 1975") requires a person engaging in a manufacturing activity to first obtain a manufacturing licence. The ICA 1975 defines manufacturing activity to mean "the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade". Failure to obtain the manufacturing licence constitutes an offence punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

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This licensing requirement only applies to companies with shareholders' funds of RM2.5 million and above or employing 75 or more full-time paid employees.

Building Occupation under the Street, Drainage and Building Act 1974

The Street, Drainage and Building Act 1974 ("**SDBA 1974**") provides for uniformity of law and policy in relation to street, drainage and buildings in Peninsular Malaysia, including the power of the ruler or governor to make uniform building by-laws necessary to carry out the provisions of the SDBA 1974.

The uniform building by-laws requires the issuance of the certificate of completion and compliance ("**CCC**") for the occupation of buildings. It is a self-certification regime whereby a CCC is issued by a principal submitting person who is defined in the SDBA 1974 as a professional architect, professional engineer or building draughtsman registered under the relevant written law. Prior to implementation of the CCC regime on April 12, 2007, local authorities were responsible for the issuance of the certificate of fitness for occupation for buildings.

Pursuant to the SDBA 1974, any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

Employees' Minimum Standards of Housing, Accommodations dan Amenities Act 1990

The Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSHAA 1990**") requires any employer who provides accommodation to employees is required to obtain a Certificate of Accommodation ("**COA**"). The COA certifies compliance with the minimum standards prescribed under the EMSHAA 1990 and its subsidiary regulations, including requirements relating to safety, space, sanitation, water supply, electricity, fire precautions and other amenities.

An employer that fails to comply with the requirement to obtain and maintain a valid COA is subject to a fine not exceeding RM50,000.

The use of any premises as employees' accommodation remains subject to the applicable requirements, policies and discretion of the relevant local authorities. Approvals of such use may be withheld or subject to conditions depending on the location and zoning of the premises.

Environmental Protection

Environmental Quality Act 1974

The Environmental Quality Act 1974 and the subsidiary regulations and orders made thereunder regulate activities that may impact the environment, including discharging pollutants, handling scheduled wastes, or operating prescribed industrial premises. Companies are required to obtain licences or approvals from the Department of Environment (DOE) for the prescribed activities such as those requiring an Environmental Impact Assessment (EIA). Companies must also comply with specific standards for pollution control on, for example, air, water, noise, and industrial effluent.

A company that fails to comply with the provisions of the Environmental Quality Act 1974 is subject to a general penalty of a fine not exceeding RM10,000 and/or imprisonment for a term not exceeding 2 years on conviction, unless a specific penalty is prescribed for the offence.

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Employment Requirements

Employment Act 1955

The Employment Act 1955 governs the law on employment matters in Peninsular Malaysia and the Federal Territory of Labuan, Malaysia. Save for certain offences, the general penalty in respect of an offence committed under or non-compliance with the Employment Act 1955 is a fine not exceeding RM50,000 on conviction.

Other laws on employment include (i) the Employees Provident Fund Act 1991, which imposes the statutory obligations on employers and employees to make contribution towards the Employees’ Provident Fund, which is a fund established as a scheme of savings for employees’ retirement and the management of the savings for the retirement purposes; (ii) the Employees’ Social Security Act 1969, which imposes the statutory obligations on employers and employees to make contribution towards the Social Security Organisation of Malaysia; (iii) the Employment Insurance System Act 2017, which imposes the statutory obligations on employers and employees to make contribution towards the Employment Insurance System; (iv) and the Income Tax Act 1967, which imposes the statutory obligations on employers to make the relevant monthly tax deductions from employees’ wages in accordance with the Inland Revenue Board of Malaysia’s (“IRBM”) monthly tax deduction mechanism, and remit such deductions to IRBM no later than the 15th day of the following month.

Foreign Exchange Control

There is no prohibition under Malaysian law restricting the making of or the receipt of payments between residents and non-residents (other than the restrictions under the Foreign Exchange Policy Notices issued by the Central Bank of Malaysia, those arising from the Malaysian Anti-Money Laundering, Anti-Terrorism Financing, Anti-Restricted Activity Financing and Proceeds of Unlawful Activities Act 2001 and the Securities Commission Malaysia’s Guidelines on Prevention of Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Reporting Institutions in the Capital Market (collectively, the “**Foreign Exchange Prohibitions**”) in Ringgit Malaysia (on the basis dividends will be paid to the residents’ bank accounts in Malaysia) or foreign currency (other than the currency of Israel), for payment of dividends or subscription for or purchase of securities registered in Malaysia.

In this regard, all payments in Ringgit Malaysia (other than those prohibited under the Foreign Exchange Prohibitions) for repatriation abroad must be converted into foreign currency (other than the currency of Israel) with a licensed onshore bank.

LAWS AND REGULATIONS IN THE KINGDOM OF SAUDI ARABIA

Company Incorporation and Corporate Governance

The incorporation and operation of companies in the Kingdom are primarily governed by the Companies Law (Royal Decree No. M/132 dated June 30, 2022) and its Implementing Regulations, administered by the Ministry of Commerce (“MoC”). The Companies Law sets out requirements for incorporation, corporate governance, shareholder rights, capital structure, and statutory reporting. Companies must submit their articles of association to the MoC and maintain compliance with applicable licensing and registration requirements.

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Foreign investment is regulated by the Saudi Investment Law (Royal Decree No. M/19 dated June 22, 2024) and the Foreign Investment Law (Royal Decree No. M/1 dated April 10, 2000) and their respective implementing regulations, administered by the Ministry of Investment of Saudi Arabia (“MISA”). Foreign investors may operate through wholly owned subsidiaries or joint ventures with local partners, subject to applicable licensing and regulatory approvals. Key requirements include obtaining a foreign investment licence (where applicable), commercial registration, and fulfilment of tax and labour registration obligations. Under the Vision 2030 reforms, most sectors, including chemicals manufacturing, are now fully open to foreign participation subject to MISA licensing conditions.

Commercial Registration, Industrial Licensing, and Environmental Compliance

The manufacture of chemicals in the Kingdom requires an Industrial Licence from the Ministry of Industry and Mineral Resources (“MIMR”), confirming compliance with technical, safety, and operational standards. Chemical manufacturers must additionally comply with environmental regulations under the Environmental Law (Royal Decree No. M/34 dated November 24, 2001) and obtain approvals for emissions, effluent discharge, and waste management from the Saudi Environmental Authority. Non-compliance may result in fines, suspension, or revocation of licences.

Import and Technical Regulations

Importation of raw materials, chemicals, and equipment is subject to the Customs Law and technical regulations issued by the Saudi Standards, Metrology and Quality Organisation (“SASO”). Imports must comply with applicable standards, including certification and product safety requirements. Non-compliance may result in seizure, recall, or destruction of non-conforming products, and administrative fines of up to SAR 1 million pursuant to the Product Safety Law and SASO Technical Regulations.

Taxation and Zakat

Companies operating in the Kingdom are subject to the Zakat, Tax and Customs Law (Royal Decree No. M/113 dated July 25, 2017, as amended), administered by the Zakat, Tax and Customs Authority (“ZATCA”). The principal obligations are as follows:

- Foreign-owned companies are subject to corporate income tax at a rate of 20% on taxable income.
- Saudi-owned or GCC-owned entities are subject to Zakat, generally calculated at 2.5% of the Zakat base.
- Value Added Tax (“VAT”) at a standard rate of 15% applies to the supply of goods and services pursuant to the VAT Law (Royal Decree No. M/113 dated November 2, 2017).

Companies must maintain documentation of all taxable transactions, issue tax invoices, file periodic returns, and comply with inspections or audits conducted by ZATCA. Penalties apply for late filings, incorrect returns, or non-compliance with invoicing and record-keeping requirements.

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Labour, Employment, and Social Insurance

Companies operating in the Kingdom must comply with the Labour Law (Royal Decree No. M/51 dated September 27, 2005, as amended), enforced by the Ministry of Human Resources and Social Development (“MHRSD”). Key obligations include registration of employment contracts via the Qiwa platform, compliance with Saudisation requirements under the Nitaqat programme, registration of employees with the General Organisation for Social Insurance (“GOSI”), and compliance with work permit and residency requirements for expatriate employees. Non-compliance may result in fines, suspension of visa issuance, or other administrative sanctions.

Product Safety and Liability

Product safety is governed by the Product Safety Law, the Consumer Protection Law, and relevant SASO technical regulations. Entities manufacturing chemicals must comply with the Civil Defence Regulations for Industrial Facilities, SASO standards for hazardous chemicals, and applicable occupational safety requirements, including proper storage, labelling, fire protection, handling protocols, and emergency response procedures. Entities are liable for damages caused by defective or unsafe chemical products. Penalties include compulsory recalls, compensation to affected persons, and administrative fines.

Real Property Use and Leasing

The use, lease, and management of real property in the Kingdom are governed by the Real Estate Ownership Law for Non-Saudis, the Civil Transactions Law, the Law of Real Estate Registration, and applicable municipal and zoning regulations. Foreign entities may be required to obtain permits or licences from MISA, the MoC, and relevant municipal authorities to use real property for commercial or industrial purposes. Non-compliance may result in administrative penalties, fines, or suspension of property use rights.

Litigation, Arbitration, and Dispute Resolution

Litigation, arbitration, and administrative proceedings in the Kingdom are primarily governed by the Civil and Commercial Procedure Law and the Law of Arbitration (Royal Decree No. M/34 dated May 24, 2012). Judicial proceedings are administered by the Saudi courts under the supervision of the Ministry of Justice. Arbitration is recognised and enforceable in the Kingdom, subject to the requirement that arbitration agreements are in writing and comply with statutory requirements; arbitral awards are enforceable through the competent courts, subject to applicable procedural rules.

Anti-Money Laundering, Anti-Bribery, and Sanctions

Saudi Arabia’s framework to combat money laundering and corruption is primarily governed by the Anti-Money Laundering Law (Royal Decree No. M/20 dated 5 February 2018) and the Anti-Bribery Law (Royal Decree No. M/36 dated March 7, 1962). These laws prohibit money laundering, bribery, corruption, and transactions with sanctioned persons or entities. Companies are required to implement appropriate internal controls, maintain records, and report suspicious activities to competent authorities. Breaches may lead to criminal and administrative liability.

Intellectual Property

The Kingdom protects intellectual property through a comprehensive legal framework administered by the Saudi Authority for Intellectual Property (“SAIP”), covering trademarks, patents, copyrights, industrial designs, and trade secrets. Saudi Arabia is a signatory to key international intellectual property treaties, including the Paris Convention, Berne Convention, and Madrid Protocol. Non-compliance with intellectual property laws may result in administrative actions, fines, civil liability, injunctions, and in certain cases criminal liability.