LAWS AND REGULATIONS APPLICABLE TO ESTABLISHMENT, OPERATION AND MANAGEMENT OF OUR GROUP COMPANIES IN THE PRC

PRC Company Law and foreign investment

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》), which was adopted by the SCNPC on December 29, 1993 and with effect from July 1, 1994. It was last amended on October 26, 2018 and with effect from the same day and the Regulation of the PRC on the Administration of the Registration of Market Entities 《(中華人民共和國市場主體登記管理條例》), which was promulgated on July 27, 2021 and became effective on March 1, 2022. According to the aforesaid laws and regulations, companies are generally classified into two categories – limited liability companies and companies limited by shares. Foreign invested limited liability companies are also governed by the aforesaid laws and regulations unless otherwise specified in the relevant laws regarding foreign investment.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》, the "**Foreign Investment Law**") adopted at by the National People's Congress of the PRC (中華人民共和國全國人民代表大會) on March 15, 2019 and came into force on January 1, 2020, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to the treatment given to foreign investors and their investments during the investment access stage, which is not lower than that given to their domestic counterparts. The negative list refers to special administrative measures for the access of foreign investment in specific fields as stipulated by the State. The State shall give national treatment to foreign investment beyond the negative list. The organization form, institutional framework and standard of conduct of a foreign-funded enterprise shall be subject to the provisions of the PRC Company Law and the Partnership Enterprise Law of the PRC (《中華人民共和國合夥企業法》), and other laws. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment. For any field restricted by the negative list, foreign investors shall conform to the investment conditions as required in the negative list, and fields not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated uniformly.

Along with the Foreign Investment Law's coming into effect on January 1, 2020, the Law on Sino-Foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》), the Law on Wholly Foreign-owned Enterprises of the PRC (《中華人民共和國外資企業法》) and the Law on Sino-Foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) were repealed simultaneously, and foreign-funded enterprises which were established in accordance with such laws before the implementation of the Foreign Investment Law may retain their original organization forms and other aspects for five years upon the implementation hereof.

On December 26, 2019, the Implementing Regulations of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》, the "**Implementing Regulations**") was promulgated by the State Council and came into effect on January 1, 2020, which further replaced the Implementing Regulations of the Law of the PRC on Sino-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法實施條例》), the Interim Provisions on the Joint Operation Period of Sino-foreign Equity Joint Ventures (《中外合資經營企業合營期限暫行條例》), the Rules for the Implementation of the Law of the PRC on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法實施細則》) and the Rules for the Implementation of the Law of the PRC on Sino-foreign Cooperative

Joint Ventures (《中華人民共和國中外合作經營企業法實施細則》). According to the Implementing Regulations, the registration of a foreign-invested enterprise shall be processed pursuant to the law by the market regulation department of the State Council or its authorized local counterparts. A foreign investor or a foreign-invested enterprise shall submit investment information to the competent commerce department via the enterprise registration system and the enterprise credit information publicity system. The Foreign Investment Law and the Implementing Regulations also apply to the investment made by a foreign-invested enterprise in the PRC.

On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》, the "**Reporting Measures**"), which came into effect on January 1, 2020 and replaced the Provisional Measures on Record-filing Administration over the Establishment and Change of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) simultaneously. Pursuant to the Reporting Measures, a foreign investor or a foreign-invested enterprise shall report investment information by submitting initial report, changing report, deregistration report, annual report and etc.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, which sets forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the security review will be established under the NDRC, who will lead the task together with the MOFCOM. Foreign investor or relevant parties in the PRC must declare the security review to the Office of the Working Mechanism prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. Control exists when the foreign investor (i) holds over 50% equity interests in the target, (ii) has voting rights that can materially impact on the resolutions of the board of directors or shareholders meeting of the target even when it holds less than 50% equity interests in the target, or (iii) has material impact on target's business decisions, human resources, accounting and technology.

The Catalog of Industries for Guiding Foreign Investment

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Edition) (《外商投資准入特別管理措施(負面清單) (2021年版)》), the "**Negative List (2021 Edition)**") was jointly promulgated by the NDRC and the MOFCOM on December 27, 2021, which came into effect on January 1, 2022 and replaced the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020 Edition) (《外商投資准入特別管理措施(負面清單) (2020年版)》). The Catalog of Industries for Encouraging Foreign Investment (2020 Edition) (《鼓勵外商投資產業目錄(2020年版)》, the "**Encouraging Catalog (2020 Edition)**" was jointly promulgated by the NDRC and the MOFCOM on December 27, 2020 which came into effect on January 27, 2021 and replaced the the Catalog of Industries for Encouraging Foreign Investment (2019 Edition) (《鼓勵外商投資產業目錄(2019年版)》). The Negative List (2021 Edition) and the Encouraging Catalog (2020 Edition) contain specific provisions guiding market access of foreign capital, stipulating in detail the rules

of entry according to the categories of encouraged industries, restricted industries and prohibited industries. Industries not listed in the Negative List (2021 Edition) are generally open to foreign investment unless specifically prohibited or restricted by other PRC laws and regulations. Foreign investment in the encouraged category is entitled to certain preferential treatment and incentives extended by the government, while foreign investment in the restricted category is permitted but subject to certain restrictions under the PRC Laws. Foreign investment in the prohibited category is not allowed.

M&A Rules

On August 8, 2006, the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE jointly promulgated the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》, the "**M&A Rules**"), which came into effect on September 8, 2006 and amended on June 22, 2009. According to the M&A Rules, a foreign investor is required to obtain necessary approvals when it (1) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (2) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (3) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (4) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares or equity interest in the PRC companies in exchange for the shares of offshore companies. Pursuant to article 11 of the M&A Rules, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controls, the acquisition shall be subject to the examination and approval of the MOFCOM.

LAWS AND REGULATIONS APPLICABLE TO FOOD PRODUCTION, SALE AND SAFETY

Licensing system for food production and sale

Pursuant to the Food Safety Law of the PRC (《中華人民共和國食品安全法》, the "**the Food Safety Law**"), which was promulgated by the SCNPC on February 28, 2009, and last amended on April 29, 2021 and entering into force since the same day and the Implementing Rules on the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》, the "**Implementing Rules on the Food Safety Law**"), which was promulgated by the State Council on July 20, 2009 and amended on February 6, 2016 and October 11, 2019, with effect from December 1, 2019, the state adopts a licensing system for food production and sale. To engage in food production, food sale and catering services, a license shall be obtained in accordance with the law. According to the Measures for the Administration of Food Production Licensing (《食品生產許可管理辦法》), which was promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (國家質量監督檢驗檢疫總局), which has been integrated to form the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), on January 2, 2020 with effect from March 1, 2020, the validity term for a food production license is five years. If the enterprise that has the food production license needs to

extend the validity term of its legally obtained food production license, it shall file an application for replacement of the license with the original licensing authority within 30 working days prior to the expiry of the validity term of the food production license. Where no application is filed for extension of the license upon expiry of the validity term, the original licensing authority shall conduct the cancelation procedures of the food production license.

In accordance with the Administrative Measures for Food Operation Licensing (《食品經營許可管理辦法》) promulgated by the CFDA, on August 31, 2015, amended on November 17, 2017 and came into force from the same day, a food operation license shall be obtained to engage in food selling and trading business in the PRC. Application of the food operation license shall be filed according to the classification of types of operation and operation projects of the food operators.

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

Personnel health management system

In accordance with the Food Safety Law, food producers and operators shall establish and implement a personnel health management system. The personnel suffering from disease that affects food safety according to the regulations of the health administration department under the State Council shall not engage in work that involves contact with ready-to-eat food. The personnel who engage in work that involves contact with ready-to-eat food shall have physical check-up each year and shall obtain healthy certificates prior to working.

Procurement inspection record system and food pre-delivery examination record system

According to the Food Safety Law as well as the Implementing Rules on the Food Safety Law, when purchasing food raw materials, food additives and food-related products, food producers shall check the licenses and food eligibility certification documents of the suppliers. The food raw materials whose eligibility certification documents are unavailable shall be inspected in accordance with the food safety standards; no food raw materials, food additives or food-related products that fail to meet the food safety standards may be procured or used. Food production enterprises shall establish a procurement inspection record system of food raw materials, food additives and food-related products, and truthfully record the names, specifications, quantities, production date or batch numbers, shelf life, names, address and contact information of suppliers, dates of purchase, etc. of the food raw materials, food additives and food-related products. The procurement inspection records of food raw materials, food additives and food-related products shall be true, and shall be kept for at least six months after the expiration of the shelf life; if there is no explicit shelf life, the records shall be kept for at least two years. Food production enterprises shall establish a food pre-delivery examination record system, to check the inspection certificates and the safety conditions of pre-delivery food and truthfully record the names, specifications, quantities, dates of production or batch numbers, shelf life, numbers of inspection certificates, names, address and contact methods of purchasers, dates of sales, etc. of the food. The food pre-delivery

examination records shall be true, and shall be kept for at least six months after the expiration of the shelf life; if there is no explicit shelf life, the records shall be kept for at least two years.

Food Safety

According to the Food Safety Law, food producers shall inspect the food produced by themselves in accordance with food safety standards. Food producers may either carry out inspection on the food on their own or entrust the inspection to a food inspection institution complying with the provisions of relevant laws.

The packages of pre-packed food

According to Food Safety Law, the packages of pre-packed food shall bear labels. The labels shall state the following matters, such as name, specifications, net content and date of production; list of ingredients or components; producer's name, address and contact details; shelf life; product standard code; storage conditions; the general name of the food additives used in the national standards; serial number of food production license; and other items that must be indicated according to laws, regulations or food safety standards. The labels of the staple and supplementary food exclusively for infants and babies and other specific groups of people shall also indicate the principal nutritional ingredients and their contents.

Food recall system

Also under the Food Safety Law as well as the Implementing Rules on the Food Safety Law, the Administrative Measures for Food Recall (《食品召回管理辦法》) was promulgated by the CFDA on March 11, 2015 and entered into force on September 1, 2015, and last amended on October 23, 2020. The Administrative Measures for Food Recall provides the detailed rules on the food recall system. Where a food producer finds that the food produced by it does not comply with the food safety standards, it shall immediately stop the production, recall the food on the market for sale, notify the relevant producers and traders, as well as consumers, and record the recall and notification.

Where a food trader finds that the food traded by it does not comply with the food safety standards, it shall immediately stop the trading, notify the relevant producers and traders, as well as consumers and record the cessation of trading and the notification. Where the food producers consider that the food should be recalled, the food shall be recalled immediately. The food producers shall take such measures as remedy, destruction and harmless treatment for the recalled food, and report the recalling and treatment of the recalled food to the quality supervision department at or above the county level. Where the food producers or traders fail to recall or stop trading of the food failing to comply with the food safety standards in accordance with the provisions of the Food Safety Law as well as the Implementing Rules on the Food Safety Law, the food safety supervision and administration departments at or above the county level shall order them to recall or stop trading.

Food import and export

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), which was promulgated by the SCNPC on May 12, 1994, and was last amended on November 7, 2016 with effect from the same day, foreign trade dealers engaged in the import and export of goods or technologies shall register for record with the

authority responsible for foreign trade under the State Council or its authorized bodies unless laws, regulations and the authority responsible for foreign trade under the State Council exempt such registration for record. Where foreign trade dealers fail to register for record as required, the customs authority shall not process the procedures of declaration, examination and release of the imported and exported goods.

Under the Food Safety Law as well as the Implementing Rules on the Food Safety Law, the imported food, food additives and food-related products shall meet the national food safety standards of the PRC. A food importer shall apply for inspection with the entry and exit inspection and quarantine institution at the place of customs declaration by presenting necessary vouchers and relevant approval documents such as contract, invoices, packing note, bill of lading, etc.. The food imported shall pass the inspection conducted by the entry and exit inspection and quarantine institution. For any food that is imported which are not regulated by the requirements of the national food safety standards, the overseas exporter, overseas food producer or its entrusted importer shall file and submit the applicable standards of relevant countries (regions) or international standard to the health administration department under the State Council.

The imported pre-packed food and food additives shall be accompanied with labels and instructions (if the instructions are required under relevant PRC laws and regulations) written in Chinese. The labels and instructions shall be consistent with the provisions of the Food Safety Law as well as the Implementing Rules on the Food Safety Law and other relevant laws and administrative regulations of the PRC and the requirements of the national food safety standards, and indicate the origin of food and name, address and contact methods of the domestic agent. Where any pre-packed food is not accompanied with labels or instructions in Chinese or the labels or instructions are not consistent with the requirements, the pre-packed food shall not be imported. The importer shall establish a food and food additives import and sale record system to truthfully record the names, specifications, quantities, dates of production, batch numbers of production or import, shelf life, names, address and contact methods of exporters and purchasers, dates of delivery, etc. of the food and food additives. Such import and sale records shall be true, and shall be kept for at least six months after the expiration of the shelf life; if there is no explicit shelf life, the records shall be kept for at least two years.

The food to be exported shall be subject to supervision and sample inspection of the entry and exit inspection and quarantine institution. The customs office shall release the food on the basis of a customs clearance certificate issued by the institution for entry and exit inspection and quarantine. The production enterprises of exported food shall guarantee that their exported food has met the standard of the importing country (region) or the requirements in their contract. The production enterprises of exported food and the planting and breeding farms of raw materials for exported food shall file a record with the entry and exit inspection and quarantine department of the State.

Pursuant to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which was adopted by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The

recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for one year, after the expiry re-application of recordation can be made.

Online Food Safety

According to the Administrative Measures for Online Trading (《網絡交易監督管理辦法》) promulgated by the SAMR on March 15, 2021 and became effective on May 1, 2021, online transaction operators shall disclose product or service information comprehensively, truthfully, accurately, and in a timely manner to protect consumers' right to know and to choose. Online trading operators who carry out online trading activities through online social networking, webcasting, and other online services shall display goods or services, their actual business entities, after-sales service, and other information in a conspicuous manner, or the link identification of the above-mentioned information.

According to the Measures on the Punishments and Disciplinary Actions for Online Food Safety (《網絡食品安全違法行為查處辦法》) promulgated by the CFDA on July 13, 2016 and last amended on April 2, 2021 and with effect from June 1, 2021, SAMR takes charge of the supervision and guidance of the investigation and punishment on illegal conducts concerning online food safety nationwide, and the local market regulatory authorities at and above the county level take charge of the investigation and punishment on illegal conducts concerning online food safety within their administrative regions.

Supervision on the use of food additives

Pursuant to the Food Safety Law, no food additive may be used in food unless it is technically deemed necessary and has been proven to be safe and reliable upon risk assessments. The relevant national food safety standard shall be revised, on the basis of the technical requirements and the results of the food safety risk assessments, in a timely manner. A food producer should use food additives in accordance with the national food safety standards.

According to the Measures for the Administration of New Varieties of Food Additives (《食品添加劑新品種管理辦法》) which was promulgated by the Ministry of Health of the PRC (中華人民共和國衛生部) on March 30, 2010 and amended on December 26, 2017, new varieties of food additives refer to the varieties which are not included by food safety national standards, or not listed in the permitted use catalog announced by NHFPC, or the varieties whose scope or dosage has been enlarged. The NHFPC is responsible for the examination and permission of the application submitted by enterprises or individuals who are engaging in producing, operating, using or importing new varieties of food additives. Based on the technical features and food safety risk analysis of the above-mentioned new variety of food additives, the NHFPC shall make public and announce the permitted food additives varieties, scope of use and dosage of food additives varieties to be permitted under the food safety national standards. The NHFPC shall , based on the technical necessity and food safety risk assessment results, make and publish the varieties whose use has been permitted by announcement as well as the range of use and dosage thereof as food safety national standards by the procedure of food safety national standards. The NHFPC shall make a timely reassessment when safety problems of food varieties caused are proved by scientist research or supported by other proof, or the technical need is on longer essential. Approved varieties of food additives may have the relevant approval revoked and the scope of use and dosage may be revised by the NHFPC if the applicant fails the re-examination.

Food Advertisement

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by SCNPC on October 27, 1994 and most recently revised on April 29, 2021, advertisement shall not contain any false or misleading information, and shall not deceive or mislead consumers. Each advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, valid period and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit. Where an advertising agent or advertisement publisher designs, produces, provides agency for or publishes an advertisement even though it knows or should know the advertisement is in violation of the foregoing provisions, the market regulation department shall order the cessation of the publishing of advertisements and impose fines of not more than RMB100,000.

Product quality

The principal legal provisions governing product liability are set out in the Product Quality Law of the PRC (《中華人民共和國產品質量法》, the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018 with effect from the same day.

The Product Quality Law is applicable to all activities of production and sale of any product within the territory of the PRC, and the producers and sellers shall be liable for product quality in accordance with the Product Quality Law. According to the Product Quality Law, consumers or other victims who suffer personal injury or property losses due to product defects may demand compensation from the producer as well as the seller. Where the responsibility for product defects lies with the producer, the seller have the right to recover such compensation from the producer if they take the responsibility and make a compensation, and vice versa. Violations of the Product Quality Law may result in the imposition of fines. In addition, the seller or producer may be ordered to suspend operation and its business license may be revoked. Criminal liability may be incurred in serious cases.

Production safety

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, taking effect from November 1, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021 and became effective on September 1, 2021, the containers or transportation tools of hazardous substances that any production and business operation entity uses must, according to the relevant provisions of the State, be manufactured by specialized production entities, and may only be put into use after they have passed the inspections and tests of those inspections and testing institutions that are equipped with professional qualifications and obtained a certificate for safe use or a mark of safety label. In addition, the production, business operation, transportation, storage, use of dangerous substances or disposal of or abandonment of dangerous substances shall be subject to the examination and approval as well as the supervision and management of the relevant administrative departments according to the provisions of the relevant laws and regulations, national standards, or industrial standards.

LAWS AND REGULATIONS APPLICABLE TO TAXATION

Enterprise Income tax

According to the Enterprise Income Tax Law (《中華人民共和國企業所得税法》, the "**EIT Law**") and the Implementation Rules of the EIT Law (《中華人民共和國企業所得税法實施條例》), the income tax for both domestic and foreign-owned enterprises is at the same rate of 25% effective from January 1, 2008. A PRC withholding tax at the rate of 10% is applicable to dividends payable to investors that are non- resident enterprises (who do not have an establishment or place of business in the PRC, or who have an establishment or place of business in the PRC but whose income has no actual relationship with such establishment or place of business) to the extent that such dividends have their sources within the PRC unless otherwise provided in any applicable tax treaty. Similarly, any gain realized on the transfer of equity interests by such investors is subject to the PRC enterprise income tax at the rate of 10% if such gain is regarded as income derived from the PRC.

Value-added tax

Pursuant to the Pilot Proposals for the Collection of Value-Added Tax in Lieu of Business Tax (《營業税改徵增值税試點方案》) issued jointly by the Ministry of Finance of the PRC (中華人民共和國財政部) and the SAT on November 16, 2011 and with effect from November 16, 2011, the pilot program shall be initiated on January 1, 2012, and timely improve the program according to the circumstances and choose a right time to expand the scope of the pilot program. The pilot program shall be conducted in the production-oriented service industries such as the transportation industry and some modern service industries in the pilot regions and gradually spread to other industries. On the basis of the current standard value-added tax ("**VAT**") rate of 17% and low VAT rate of 13%, two low tax rates of 11% and 6% shall be added. The tax rate of 17% shall be applicable to those like lease of tangible personal property, the tax rate of 11% shall be applicable to the transportation industry and the construction industry, and the tax rate of 6% shall be applicable to other modern service industries. Up to August 1, 2013, the scope of the pilot for the Collection of Value- Added Tax in Lieu of Business Tax program had expanded to the whole country.

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) which was promulgated by the State Council on December 13, 1993 and last amended on November 19, 2017 with effect from the same day and the Implementing Rules of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) which was promulgated by the Ministry of Finance of the PRC (中華人民共和國財政部) on December 25, 1993, came into effect on January 1, 1994, and was last amended on October 28, 2011, all entities or individuals in the PRC engaging in the sale of goods, services, intangible assets or real estate, the provision of processing, repairing and replacement services, and the importation of goods are required to pay VAT. The amount of VAT payable is calculated as "output VAT" minus "input VAT". The rate of VAT is 17% for those engaging in the sale or importation of goods, provision of processing, repairing and replacement services, or lease of tangible personal property, except as otherwise provided in the Provisional Regulations on Value-added Tax of the PRC.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) promulgated on April 4, 2018 and taking effect from May 1, 2018, a taxpayer who is previously subject to VAT rates of 17% and 11% respectively

on VAT-taxable sales activities or imported goods shall have the applicable tax rates adjusted to 16% and 10% respectively. As regards exported goods that are previously subject to VAT rate of 17% and are eligible for export tax rebate of 17%, their export tax rebate shall be adjusted to 16%. As regards exported goods and cross-border taxable activities that are previously subject to VAT rate of 11% and are eligible for export tax rebate of 11%, their export tax rebate shall be adjusted to 10%.

According to the Announcement on Policies related to Deepening VAT Reform (《關於深化增值税改革有關政策的公告》), which was promulgated on March 20, 2019 and became effective on April 1, 2019, VAT general taxpayers who conduct VAT taxable sales or import goods subject to a 16% tax rate will enjoy an adjusted tax rate of 13% while those subject to a 10% tax rate will enjoy an adjusted tax rate of 9%. For export goods subject to a 16% tax rate and export tax rebate rate of 16%, the export tax rebate rate will be adjusted to 13%; while for exported goods or cross-border taxable behaviors subject to a 10% tax rate and export tax rebate rate of 10%, the export tax rebate rate will be adjusted to 9%.

Tax Refund (Exemption) of Exported Goods

The Circular of the State Administration of Taxation on Issuing the Measures for the Administration of Tax Refund (Exemption) of Exported Goods (For Trial Implementation) (《國家税務總局關於印發<出口貨物退(免)税管理辦法(試行)>的通知》, the "**Measures**") was adopted by the SAT on March 16, 2005, came into force on May 1, 2005 and was partially amended on June 15, 2018. The Measures established the subject of tax refund (exemption), namely the goods exported by an exporter on his own or by means of entrustment, and it also established the declaration and acceptance, the examination, verification and approval of tax refund (exemption) of exported goods.

When an exporter, within the prescribed period, collects all the documentations as required for the tax refund (exemption) of exported goods to apply to the tax authority for handling the formalities for tax refund (exemption) of exported goods, the tax authority shall carry out a preliminary examination. After accepting, the tax authority shall provide a return receipt for the exporter and make a registration of the declaration of tax refund (exemption) of exported goods. The tax authority shall, after accepting a declaration of tax refund (exemption) of exported goods, carry out the examination on the legality and accuracy of declaration certificates and materials within the prescribed time limit and shall verify the logic corresponding relation between the declaration data. After an examination on the certificates and materials of tax refund (exemption) of exported goods, the tax authority will conduct a computer examination by comparison with the special VAT invoice and the Payment of Consumption Taxes (exclusively used for exported goods) transferred by the SAT and the relevant departments.

Environmental Protection Tax Law

The Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護税法》) was issued by the SCNPC on December 25, 2016 and took into effect from January 1, 2018, and was amended and became effective on October 26, 2018. This law requires enterprises, public institutions and other producers/operators that discharge taxable pollutants directly to the environment within the territorial areas of the PRC and other sea areas under the jurisdiction of the PRC to pay such environment protection tax in accordance with the provisions of this law.

LAWS AND REGULATIONS APPLICABLE TO FOREIGN CURRENCY EXCHANGE AND DIVIDEND DISTRIBUTION

Foreign currency exchange

The principal regulation governing foreign currency exchange in the PRC is the Regulations on the Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》, the "**Foreign Exchange Administration Regulations**"), which was promulgated by the State Council) on January 29, 1996, took effect from April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Under the Foreign Exchange Control Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as capital transfer, direct investment, investment in securities, derivative products or loans unless the prior approval by the competent authorities for the administration of foreign exchange is obtained.

Under the Foreign Exchange Administration Regulations, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of SAFE for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, etc.), or for trade and services-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or record-fillings with the relevant governmental authorities (if necessary).

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Administration Method of the Settlement of Foreign Currency Capital by Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》, the "**SAFE Circular 19**") which became effective on June 1, 2015. SAFE Circular 19 provides greater flexibility to foreign-invested enterprises ("**FIEs**") in converting foreign exchange in their capital account into Renminbi, and in particular, it provides that FIEs are allowed to use their converted Renminbi to make equity investments in China after performing relevant procedures as stipulated in it. Under SAFE Circular 19, FIEs may choose to convert any amount of foreign exchange in their capital account into Renminbi according to their actual business needs. The converted Renminbi will be kept in a designated account and if an FIE needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks. FIEs are still required to use the converted Renminbi within their approved business scope.

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》, the "**SAFE Circular 16**"), which reiterates some of the rules set forth in SAFE Circular 19. SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding Renminbi capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). However, there remain substantial uncertainties with respect to SAFE Circular 16's interpretation and implementation in practice.

On October 23, 2019, SAFE issued the Notice on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》, the "**SAFE Circular 28**"), which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as the investments are real and in compliance with the foreign investment-related laws and regulations. In addition, SAFE Circular 28 stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

On November 19, 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》, the "**SAFE Circular 59**"), which became effective on December 17, 2012 and was amended on October 10, 2018. SAFE Circular 59 substantially amends and simplifies the current foreign exchange procedure. According to SAFE Circular 59, the opening of various special purpose foreign exchange accounts (e.g. pre-investment expenses account, foreign exchange capital account, asset realization account, guarantee account) no longer requires the approval of SAFE. Furthermore, multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. Reinvestment of lawful incomes derived by foreign investors in the PRC (e.g. profit, proceeds of equity transfer, capital reduction, liquidation and early repatriation of investment) no longer requires SAFE's approval or verification, and purchase and remittance of foreign exchange as a result of capital reduction, liquidation, early repatriation or share transfer in a foreign-invested enterprise no longer requires SAFE's approval.

On July 4, 2014, SAFE promulgated the Notice on Relevant Issues Concerning Foreign Exchange Control of Domestic Residents' Overseas Investment and Financing and Roundtrip Investment through Offshore Special Purpose Vehicles, or SAFE Circular No. 37 (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》, the "**SAFE Circular 37**"). According to SAFE Circular 37, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On February 13, 2015, the Circular of Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》, the "**SAFE Circular 13**") was promulgated by the SAFE and took effect on June 1, 2015. Pursuant to the SAFE Circular 13, the administrative examination and approval procedures relating to the foreign exchange registration approval

under domestic direct investment and the foreign exchange registration approval under overseas direct investment are canceled and direct investment-related foreign exchange registration is directly reviewed and handled by banks. Further, the procedures for some direct investment-related foreign exchange businesses are simplified under the SAFE Circular 13, e.g. the annual inspection of direct investment-related foreign exchange is canceled and registration of existing equity shall be adopted instead.

Share Option

On February 15, 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-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》, the "**Stock Option Rules**"). In accordance with the Stock Option Rules and relevant rules and regulations, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, must register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain procedures. In addition, the State Administration of Taxation has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in the PRC who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income tax of these employees related to their share options or restricted shares. If the employees fail to pay, or the PRC subsidiaries fail to withhold, their individual income tax in accordance with relevant laws, rules and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Dividend distribution

The PRC and the government of Hong Kong SAR signed Arrangement between the Mainland of the PRC and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》, the "**Arrangement**") on August 21, 2006. According to the Arrangement, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong resident, provided that such Hong Kong resident directly holds at least 25% of the equity interests of the PRC company. The 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if such Hong Kong resident holds less than 25% of the equity interests of the PRC company. Furthermore, pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Treaty Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》), which was promulgated by the SAT and took effect from February 20, 2009, all of the following requirements should be satisfied to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement: (a) the tax resident of the other party who obtains dividends shall be limited to company in accordance with the tax agreement; (b) the total amount of the owner's equities and the voting shares directly owned by such a tax fiscal resident reaches a specified percentage; and (c) the equity interests of the Chinese resident company directly owned by such a tax resident, at any time during the twelve months prior to the receipt of the dividends, reach the percentage specified in the tax agreement.

In addition, according to the Administrative Measures for Enjoying Treatment Under Treaties by Non-resident Tax-payers (《非居民納稅人享受協定待遇管理辦法》) which was promulgated by the SAT on October 14, 2019 and became effective on January 1, 2020, qualified non-resident tax-payers can enjoy treatment under Taxation Treaties by themselves when filing tax declarations, or making withholding declarations by withholding agents, and be subjected to the subsequent management of the taxation authority.

LAWS AND REGULATIONS APPLICABLE TO CONSUMER PROTECTION AND COMPETITION LAW

Consumer protection

The principal legal provisions for the protection of consumer interests are set out in the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》, the "**Consumer Protection Law**"), which was promulgated by the SCNPC on October 31, 1993, took effect from January 1, 1994 and was amended on August 27, 2009 and October 25, 2013.

According to the Consumer Protection Law, the rights and interests of the consumers who buy or use commodities or receive services for the purposes of daily consumption are protected and all manufacturers and distributors involved must ensure that the products and services they provide will not cause damage to the safety of consumers and their properties. Violations of the Consumer Protection Law may result in the imposition of fines. In addition, the operator will be ordered to suspend operations and its business license will be revoked. Criminal liability may be incurred in serious cases.

According to the Part VII tort liability of the Civil Code of the People's Republic of China (《中華人民共和國民法典》) promulgated by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, in the event of an injury caused by a defective product, either the manufacturer or seller of such product, as a tortfeasor, may be subject to tortious liability and relevant remedies seeking by the consumers. If the product defect is caused by the manufacturer, the manufacturer shall be held responsible and the seller, if having made the compensation, shall be entitled to seek reimbursement from the manufacturer. If, on the other hand, the defects of the products are caused by the fault of the seller, the seller shall be held responsible and the manufacturer, if having made the compensation, shall be entitled to seek reimbursement from the seller.

Competition law

Competitions among the business operators are generally governed by the Law of the PRC for Anti-Unfair Competition (《中華人民共和國反不正當競爭法》, the "**Anti-Unfair Competition Law**"), which was promulgated by the SCNPC on September 2, 1993, took effect from December 1, 1993 and was amended on November 4, 2017 and April 23, 2019. According to the Anti-Unfair Competition Law, when trading in the market, operators should abide by the principles of involuntariness, equality, fairness, honesty, and credibility, and abide by laws and recognized business ethics. An operator, in violation of the Anti-Unfair Competition Law, disrupting the competition order, and infringing the legitimate rights and interests of other operators or consumers, constitutes unfair competition. When the legitimate rights and interests of an operator are damaged by unfair competition, it may start a lawsuit in the people's court. In contrast, if an operator violates the provisions of the Anti-Unfair Competition Law, engages in unfair competition and causes damage to another

operator, it shall be liable for damages. If the damage suffered by the injured operator is difficult to access, the amount of damages shall be the profit obtained by the infringer through the infringement. The infringer shall also bear all reasonable expenses paid by the infringed operator to stop the infringement.

Price law

According to the Price Law of the PRC (《中華人民共和國價格法》, the "**Price Law**") promulgated by the SCNPC on December 29, 1997 and took effect from 1 May 1998, operators should observe the following principles when determining prices: fairness, lawfulness and good faith. The production and operation costs and the market supply and demand situation should be the fundamental basis for the operator to determine the price. When selling or purchasing goods and providing services, the operator shall clearly indicate the price and indicate the name, origin of production, specifications, grade, valuation unit and price of a commodity, or service item, charging standards and other related particulars in accordance with the requirements of the competent government price department. Operators shall not sell the goods at a price beyond the marked price or charge unspecified fees on the top of price indicated. In addition, operators may not take illegitimate pricing actions, such as colluding with others to manipulate market prices and damaging the legitimate rights and interests of other operators or consumers. Any operator engaged in the act of illegitimate pricing stipulated by the Price Law shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than five times of its illegal income; if the circumstances are serious, the business combination shall be ordered to suspend for rectification, or the administrative department for industry and commerce shall revoke the business license. In addition, any operator who causes consumers or other operators to pay higher prices due to illegal pricing acts should refund the overpaid portion; if damage is caused, it shall be liable for compensation according to law. Any operator who violates the clearly marked price shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than RMB5,000.

LAWS AND REGULATIONS APPLICABLE TO INFORMATION SECURITY AND DATA PRIVACY

According to the Civil Code of the People's Republic of China, the processing of personal information shall follow the principles of legality, legitimacy and necessity. The processing of personal information includes collection, storage, use, processing,transmission, provision and disclosure of personal information.

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021 and effective on September 1, 2021, the relevant entities carrying out data processing activities should comply with laws,regulations and codes of ethics, establish and improve the whole process data security management system in the process of data processing and strengthen risk monitoring. Those handling important data shall conduct regular risk assessments and report to the competent authorities.

According to the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and effective on November 1, 2021, it stipulates the personal information processing rules, clarifies the rights and responsibilities of individuals and the processors in processing personal information respectively, specifies the scope of personal information and the method of personal information processing, establishes rules for personal information processing and transferring abroad, and improves the personal information protection system.

According to the Cyber Data Security Administration Regulations (Draft for Comment) (《網絡數據安全管理條例(徵求意見稿)》) promulgated by the Cyberspace Administration of China on November 14, 2021 but not yet effective, any data processors processing personal information of more than one million individuals and seeking to go public abroad, or any data processors seeking to go public in Hong Kong if such activities affect or may affect national security, are subject to a cybersecurity review in accordance with relevant national regulations. Up to now, the Draft for comments has not been formally implemented and come into force.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) promulgated by the Cyberspace Administration of China and relevant government authorities on December 28, 2021 which replaced the previous version and took effect on February 15, 2022, critical information infrastructure operators who purchase network products and services that affect or may affect national security shall report to the cybersecurity review office for a cybersecurity review. Online platform operators possessing personal information of more than one million users must report to the cybersecurity review office for a cybersecurity review before going public abroad.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

On December 24, 2021, the CSRC published the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》), collectively as Draft Overseas Listing Regulations, which set out the new regulatory requirements and filing procedures for Chinese companies seeking direct or indirect listing in overseas markets. According to Draft Overseas Listing Regulations, domestic companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with and report relevant information to the CSRC, and that an initial filing shall be submitted within three working days after the application for an initial public offering is submitted. As of the Latest Practicable Date, there is no formal announcement of when it will be implemented.

LAWS AND REGULATIONS APPLICABLE TO INTELLECTUAL PROPERTY RIGHTS

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》, the "**Copyright Law**") was promulgated by the SCNPC on September 7, 1990 and last revised on November 11, 2020 which took effect from June 1, 2021. Copyright includes personal rights such as right of publication and right of authorship, as well as property rights such as reproduction rights and distribution rights. Except as otherwise provided by the Copyright Law, copying, distributing, performing, projecting, broadcasting, compiling or editing a work or disseminating the work to the public through information network without the permission of the copyright owner constitutes a copyright infringement. The infringer shall, bear civil liabilities such as ceasing the infringement, eliminating the impacts, making an apology, and compensating for the loss.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the software

copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》, the "**Trademark Law**") promulgated by the SCNPC on August 23, 1982 and last revised on April 23, 2019 with effect from November 1, 2019, the exclusive right to use a registered trademark is limited to the approval of its trademark registered and the goods approved to use the trademark. The registered trademark is valid for ten years from the date of approval of the registration. According to the Trademark Law, using a trademark that is the same as or similar to a registered trademark on a product that is the same as or similar to the product such registered trademark is registered without the authorization of the registered trademark owner which is likely to cause confusion shall be deemed infringement of the exclusive right of the registered trademark of the trademark owner. If the parties have any dispute over the infringement and the other party uses the exclusive right of the registered trademark listed in the Trademark Law, the parties concerned shall resolve the dispute through negotiation. Where the parties refuse to negotiate or the negotiation fails, the trademark registrant or any interested party may file a lawsuit in the people's court, or request the industry and commerce administration authority to deal with the occurrence of the trademark infringement.

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020 and with effect from June 1, 2021, the term "invention" used herein refers to new technical solutions raised in relation to any product, process or the improvement thereof; the term "utility model" is used to refer to any new technical solution related to the shape and structure of a product or the combination thereof, which is suitable for practical use; the term "design" used therein refers to any new design of the shape and pattern of a product or the combinations thereof, or the combinations of colors with shapes or patterns, which creates esthetics and is suitable for industrial applications.

Domain name

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and became effective from November 1, 2017. Domain name registration services shall in principle implement the rule of "first apply, first registration"; where the corresponding detailed rules for domain name registration stipulate otherwise, such provisions shall prevail.

LAWS AND REGULATIONS APPLICABLE TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014 and with effect from January 1, 2015, any entity that discharges pollutants must establish environmental responsibility rules and adopt effective measures to control or properly treat waste gas, waste water, waste residues, medical waste, dust,

malodorous gasses, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation and other hazards it produces. The State implements the pollution discharge license management system. Enterprises, public institutions and other producers and operators that implement the pollution discharge license management shall discharge pollutants according to the requirements of the pollution discharge license; those failing to obtain the pollution discharge license shall not discharge pollutants.

Pursuant to the Law of the PRC on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which was promulgated by the SCNPC on May 11, 1984 and was newly amended on June 27, 2017 and with effect from January 1, 2018, the State adopts license system for pollutant discharge. Enterprises and business units that discharge industrial waste water, medical treatment sewage, as well as other waste water or sewage that can only be discharged after obtaining license for pollutant discharge directly or indirectly into a water body shall obtain license for pollutant discharge. The specific measures and implementation procedures of the license system for pollutant discharge shall be formulated by the State Council.

According to the Law on Air Pollution Prevention and Control of the PRC (《中華人民共和國大氣污染防治法》), which was promulgated by the SCNPC on September 5, 1987, and last revised on October 26, 2018 with effect from the same day, the environmental protection departments of local people's governments at or above the county level shall implement unified supervision and management of air pollution prevention and control. Enterprises, business units and other operators that discharge industrial waste gas shall obtain pollutant discharge permits. The above-mentioned units shall monitor the air pollutants emitted by them in accordance with relevant provisions and monitoring norms of the State, and retain the original monitory records.

Pursuant to the Law of the PRC on the Prevention and Control of Environmental Noise Pollution (《中華人民共和國環境噪聲污染防治法》), which was promulgated by the SCNPC on October 29, 1996 and last amended on December 24, 2021 with effect from June 5, 2022, the industrial noise emitted to surrounding neighborhood in an urban area shall be kept within the limits set by the State on emission of environmental noise by an industrial enterprise. In industrial production processes, industrial enterprises that produce environmental noise pollution due to the use of fixed equipment must, in accordance with the regulations of the environmental protection administration department under the State Council, report to the competent environmental protection administrative department.

Pursuant to the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995 and last amended on April 29, 2020 with effect from September 1, 2020, entities discharging industrial solid wastes shall establish and improve the responsibility system for the prevention and control of environmental pollution and adopt measures for the prevention and control of environmental pollution by industrial solid wastes.

According to the Regulation on Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998, and was newly amended on July 16, 2017 and became effective on October 1, 2017, the PRC practices a system that evaluates the environmental impact of a construction project. The construction unit shall submit an environmental impact report or environmental impact statement for approval before the construction of the project begins, or file an environmental impact registration form for record in accordance with the provisions of the environmental

protection administrative department of the State Council. In addition, after completion of the construction project for which an environmental impact report or environmental impact statement is prepared, the construction unit shall make an acceptance check of the matching environmental protection facilities and prepare an acceptance report according to the standards and procedures stipulated by the environmental protection administrative department of the State Council. For projects constructed in stages, putting into production or using in stages, the inspection and acceptance of the corresponding environmental protection facilities shall be carried out in stages.

According to the Administrative Measures for Pollutant Discharge Licensing (for Trial Implementation) (《排污許可管理辦法（試行）》) which was issued by the MEP on January 10, 2018 and amended on August 22, 2019 with effect on the same day, enterprises and public institutions as well as other producers and operators that are included in the category-based administration catalog (released by the MEP, which was later succeeded by the Ministry of Ecology and Environment) of pollutant discharge licensing for stationary pollution sources shall apply for and obtain a pollutant discharge license within the prescribed time limit; pollutant discharging entities not included in the said catalog are not required to apply for a pollutant discharge license temporarily.

Pursuant to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on December 20, 2019, the state implements a focused management and a simplification of emission permits based on the pollutant-discharging enterprises and other manufacturing businesses' amount of pollutants, emissions and the extent of environmental damage. The food manufacturing industry shall obtain the discharge permit in accordance with the prescribed time limit. The MEP shall be responsible for guiding the implementation and the supervision of the National Sewage Permit system. The municipal environmental protection department shall be responsible for issuing the Pollutant Discharge Permit in the district where the pollutant discharging enterprise is located.

Pursuant to the Regulations on the Administration of Pollutant (《排污許可管理條例》) which was issued by the State Council on January 24, 2021 with effect on March 1, 2021, Enterprises, public institutions and other producers and operators which are subject to the administration of pollutant discharge permits pursuant to legal provisions shall apply for pollutant discharge permits in accordance with the provisions of these Regulations. Those pollutant-discharging entities which have not obtained pollutant discharge permits shall not be allowed to discharge pollutants.

LAWS AND REGULATIONS APPLICABLE TO EMPLOYMENT AND SOCIAL WELFARE

Labor contracts

Pursuant to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was adopted by the SCNPC on June 29, 2007 and with effect from January 1, 2008, amended on December 28, 2012 and with effect from July 1, 2013 and the Regulations on Implementation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and became effective on September 18, 2008, a written labor contract should be concluded to establish a labor relationship. If a written labor contract is not signed when establishing a labor relationship, a written contract should be signed within one month from the date the employer hired the employee. If the employer fails to enter into a written employment

contract with the employee for more than one month but less than one year from the date of hiring him, the employer shall pay the employee twice the monthly salary. In addition, if the employer fails to enter into a written employment contract with the employee for more than one year from the date of hiring the employee, it shall be deemed to have entered into an unfixed term contract with the employee.

Dispatched Workers

According to the Interim Provisions on Labor Dispatch (《劳務派遣暫行規定》) issued on January 24, 2014 and implemented on March 1, 2014 by the Ministry of Human Resources and Social Security, employers may only use dispatched workers for temporary, ancillary or substitute positions. The aforementioned temporary positions shall mean positions lasting for no more than six months; ancillary positions shall mean positions of non-major business that serve positions of major business; and substitute positions shall mean positions that can be substituted by other workers for a certain period of time during which the workers who originally hold such positions are unable to work as a result of full-time study, being on leave or other reasons. According to the Interim Provisions on Labor Dispatch, the employers should strictly control the number of dispatched workers, and the number of the dispatched workers shall not exceed 10% of the total amount of their employees.

Pursuant to the Interim Provision on Labor Dispatch, the Labor Contract Law of the PRC and the Implementation Regulations for the Labor Contract, the employers who fail to comply with the relevant requirements on labor dispatch shall be ordered by the labor administrative authorities to make rectification within a stipulated period. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》, the "**Social Insurance Law**"), which was promulgated by the SCNPC on October 28, 2010, took effect from July 1, 2011 and was amended on December 29, 2018 and took effect from the same day, employees shall participate in basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Basic pension, medical insurance and unemployment insurance contributions shall be paid by both employers and employees. Work-related injury insurance and maternity insurance contributions shall be paid by employers but not employees. An employer shall register with the local social insurance agency in accordance with the provisions of the Social Insurance Law. In addition, an employer should declare and pay social insurance premiums in full and on time. Unless subject to statutory exceptions such as force majeure, social insurance payment may not be delayed, reduced or exempted.

Housing provident fund

According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and took effect from April 3, 1999, and was last amended on March 24, 2019 with effect on the same day, an enterprise need to pay housing provident funds for their employees. The enterprise shall register with the relevant housing provident fund management center within 30 days from the date of establishment, and open a housing provident fund account at the designated bank on behalf of its employees within 20 days from the date of registration. When hiring new employees, the company

shall register with the housing provident fund management center within 30 days from the date of hiring these employees, and open a housing provident fund account at the designated bank. The enterprise shall pay the full amount of the housing provident fund on time and shall not be overdue in the payment or underpay the housing provident fund. The housing provident fund payment by both an employer and an employee shall not be lower than 5% of the average monthly salary of the employee in the previous year. If an enterprise fails to make full payment of housing provident fund for their employees in accordance with relevant laws and regulations, the housing provident fund management center shall order it to make the payment within a prescribed time limit. If payment is still not made within the prescribed time limit, an application may be made to the people's court for compulsory enforcement.