

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO 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**”), which was promulgated by the National People’s Congress on 15 March 2019 and became effective on 1 January 2020, the PRC implements the management scheme of pre-establishment national treatment along with a negative list with respect to foreign investment. The National Development and Reform Commission (the “**NDRC**”) and the Ministry of Commerce (the “**MOFCOM**”) promulgated the Special Administrative Measures for Admission of Foreign Investments (Negative List) (2021 version) (外商投資准入特別管理措施(負面清單)(2021年版)) on 27 December 2021, which came into effect on 1 January 2022. Foreign investors shall not invest in any field where investment is prohibited by the Negative List for foreign investment access. For any field where investment is restricted by the Negative List for foreign investment access, foreign investors shall meet the investment conditions stipulated under the Negative List. Any field that does not fall within the Negative List shall be administered under the principle of consistency between domestic and foreign investment. The organisation form, institutional framework and standards of conduct of a foreign-funded enterprise shall be subject to the provisions of the Company Law of the PRC (中華人民共和國公司法), the Partnership Enterprise Law of the PRC (中華人民共和國合夥企業法) and other applicable laws. Upon the Foreign Investment Law coming into effect, 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 Sino-Foreign Contractual Joint Ventures of the PRC (中華人民共和國中外合作經營企業法) and the Law on Wholly Foreign-owned Enterprises of the PRC (中華人民共和國外資企業法) were repealed simultaneously. Foreign-invested enterprises established before the Foreign Investment Law coming into effect may retain their original forms of organisation within five years after the Foreign Investment Law comes into effect.

According to the Measures for Reporting of Information on Foreign Investment (外商投資信息報告辦法) promulgated by the MOFCOM and the State Administration for Industry and Commerce (the “**SAIC**”) on 30 December 2019, which became effective on 1 January 2020, foreign investors or foreign-invested enterprises shall submit their investment information to the competent commerce authorities through the enterprise registration system and the National Enterprise Credit Information Publicity System. The market regulatory authorities shall promptly notify the competent commerce departments of the investment information submitted by the abovementioned foreign investors and foreign-invested enterprises. The MOFCOM shall establish a foreign investment information reporting system to receive and process investment information promoted by market regulators and information shared between departments in a timely manner. When a foreign investor applies for the registration of the establishment of a foreign-invested enterprise within the territory of the PRC, it shall submit an initial report through the enterprise registration system. In case of any change in the initial report, including the registration (filing) of the change of the enterprise, the foreign-invested enterprise shall submit the change report through the enterprise registration system when applying for the change (filing). If the enterprise alteration registration (filing) is not involved, the foreign-invested enterprise shall submit the alteration report through the enterprise registration system within 20 working days after the alteration occurs.

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LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

The Patent Law

Patents are protected by the Patent Law of the PRC (Revised in 2020) (中華人民共和國專利法(2020年修訂)) which was promulgated by the National People's Congress Standing Committee on 12 March 1984 and subsequently amended on 4 September 1992, 25 August 2000, 27 December 2008 and 17 October 2020, respectively, and the Implementation Rules of the Patent Law of the PRC (中華人民共和國專利法實施細則) which was promulgated by the State Council on 15 June 2001, last amended on 11 December 2023 and came into effect on 20 January 2024. In China, inventions and creations include inventions, utility models and designs.

The Trademark Law

Trademarks are protected by the Trademark Law of the PRC (Revised in 2019) (中華人民共和國商標法(2019年修訂)) which was promulgated by the National People's Congress Standing Committee on 23 August 1982 and amended on 22 February 1993, 27 October 2001, 30 August 2013 and 23 April 2019, respectively as well as the Implementation Regulation of the PRC Trademark Law adopted by the State Council on 3 August 2002 (Revised in 2014) (中華人民共和國商標法實施條例(2014年修訂)) and amended on 29 April 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks.

Administrative Measures on Internet Domain Names

Internet domain names are protected by the Administrative Measures on Internet Domain Names (互聯網域名管理辦法) which was promulgated by the Ministry of Industry and Information Technology on 24 August 2017. Where domain name root servers and domain name root server operating bodies, domain name registration management bodies and domain name registration service bodies are established within the territory of China, corresponding licences shall be obtained from the Ministry of Industry and Information Technology or the communications administration bureaus of provinces, autonomous regions and municipalities directly under the Central Government.

LAWS AND REGULATIONS RELATING TO THE DESIGN AND MANUFACTURE OF SPECIAL EQUIPMENT

According to the Standardisation Law of the PRC (中華人民共和國標準化法(2017年修訂)) which was promulgated by the National People's Congress Standing Committee on 29 December 1988 and amended on 4 November 2017, enterprises that produce or sell products that do not meet the mandatory standards, or do not meet the technical requirements of their public standards, shall bear civil liability in accordance with the law, and if they constitute a crime, shall be investigated for criminal liability in accordance with the law.

According to the Law on Work Safety of the PRC (中華人民共和國安全生產法(2021年修訂)) which was promulgated by the National People's Congress Standing Committee on 29 June 2002 and amended on 27 August 2009, 31 August 2014 and 10 June 2021, enterprises that produce or sell products should have the laws, administrative regulations and national standards or industry standards for safe production conditions, those who do not meet the conditions for safe production shall not engage in production and business activities.

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According to the Law on the Safety of Special Equipment of the PRC (中華人民共和國特種設備安全法), which was promulgated by the National People's Congress Standing Committee on 29 June 2013, the Special Equipment Safety Inspection Regulations (特種設備安全監察條例(2009年修訂)) which was promulgated by the State Council on 11 March 2003 and amended on 24 January 2009, and the Industrial Products Production Licence Management Regulations of the PRC (中華人民共和國工業產品生產許可證管理條例) which was promulgated by the State Council on 9 July 2005, last amended on 20 July 2023 and came into effect on 20 July 2023, enterprises producing or using special equipment should obtain a licence. The county level or higher local departments of the government should be responsible for the supervision and management of special equipment safety. Special equipment manufacturers should be developed and published safety specifications, the production of special equipment for its safety performance and energy efficiency indicators. Special equipment leaving the factory, should be accompanied by the design documents required by the safety specifications, product quality certification, installation and use of maintenance instructions, supervision and inspection certificate and other documents. Pressure vessel design unit shall be licenced by the State Council special equipment safety supervision and management departments.

According to the Pressure Vessel and Pressure Pipe Design Permit Rules (壓力容器壓力管道設計許可規則), Oil (Gas) Burner Safety Technology Rules (燃油(燃氣)燃燒器安全技術規則), Oil (Gas) Burner Type Test Rules (燃油(燃氣)燃燒器型式試驗規則) which were approved by the State General Administration of Quality Supervision, Inspection and Quarantine (now the State Administration of Market Supervision and Administration) on 8 January 2008 and implemented on 30 April 2008, the design of pressure vessels and pressure piping shall obtain a licence issued by the General Administration of Quality Supervision, Inspection and Quarantine (now the State Administration of Market Supervision and Administration). Engaged in pressure vessel and pressure piping design, design review and approval of personnel should be qualified by professional examination and obtain the appropriate qualifications. The design company for pressure vessels and pressure pipelines shall set the safety technical specifications and standards appropriate to the scope of the design. The design of oil (gas) burners shall be approved by the State General Administration of Quality Supervision, Inspection and Quarantine (now the State Administration of Market Supervision and Administration) and obtain a type test certificate.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (中華人民共和國環境保護法(2014年修訂)) which was promulgated by the National People's Congress Standing Committee on 26 December 1989 and amended on 24 April 2014, provides that the competent department of environmental protection of the people's government at or above the county level and the environmental inspection agencies entrusted to it and other departments with supervisory and administrative responsibilities for environmental protection shall have the right to conduct on-site inspections of enterprises discharging pollutants. If an enterprise discharges pollutants in violation of laws and regulations, causing or likely to cause serious pollution, the competent department of environmental protection of the people's government at or above the county level and other departments with supervisory and administrative responsibilities for environmental protection may seize or detain the facilities and equipment causing the discharge of pollutants. The Emergency Response Law of the PRC (中華人民共和國突發事件應對法) which was promulgated by the National People's Congress on 30 August 2007, provides that enterprises shall do a good job in risk control, emergency preparedness, emergency disposal and post-event recovery of environmental emergencies.

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According to the Law on Prevention and Control of Air Pollution of the PRC (中華人民共和國大氣污染防治法(2018年修訂)) which was promulgated by the National People's Congress Standing Committee on 5 September 1987 and amended on 29 August 1995, 29 April 2000, 29 August 2015 and 26 October 2018, the Law on Prevention and Control of Water Pollution of the PRC (中華人民共和國水污染防治法(2017年修訂)) which was promulgated on 11 May 1984 and amended on 15 May 1996, 28 February 2008 and 27 June 2017, the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the PRC (中華人民共和國固體廢物污染環境防治法(2020年修訂)) which was promulgated on 30 October 1995 and amended on 29 December 2004, 29 June 2013, 24 April 2015, 7 November 2016 and 29 April 2020, the Law on the Promotion of Cleaner Production of the PRC (中華人民共和國清潔生產促進法(2012年修訂)) which was promulgated on 29 June 2002 and amended on 29 February 2012, the Law on the Promotion of Circular Economy of the PRC (中華人民共和國循環經濟促進法(2018年修訂)) which was promulgated on 29 August 2008 and amended on 26 October 2018, and the Law on Energy Conservation of the PRC (中華人民共和國節約能源法(2018年修訂)) which was promulgated on 1 November 1997 and amended on 28 October 2007, 2 July 2016 and 26 October 2018, enterprises that build, alter or expand projects that directly or indirectly affect the environment of the atmosphere or water should conduct environmental impact assessment and disclose environmental impact assessment documents in accordance with the law, and should build pollution prevention and control facilities and obtain emission permits in accordance with the law. Relevant departments of the governments at or above the county level supervise and inspect the work of enterprises in air pollution prevention and control, water pollution prevention and control, solid waste pollution prevention and control, promotion of cleaner production and implementation of energy conservation standards, and investigate and punish enterprises for violations of the law.

According to the Law on Environmental Impact Assessment (中華人民共和國環境影響評價法(2018年修訂)) which promulgated by the National People's Congress Standing Committee on 28 October 2002 and amended on 2 July 2016 and 29 December 2018, the Regulations on the Administration of Environmental Protection of Construction Projects (建設項目環境保護管理條例(2017年修訂)) which was promulgated by the State Council on 29 November 1998 and amended on 16 July 2017, and the Interim Measures for Environmental Protection Acceptance of Construction Projects on Completion (建設項目竣工環境保護驗收暫行辦法) which was promulgated by the Administrative of Environmental Protection on 20 November 2017, for the construction of projects that have an impact on the environment, environmental impact assessment shall be carried out in accordance with the law, environmental impact report/form or environmental impact registration form shall be prepared in accordance with the law according to the severity of the possible environmental impact, and the examination or filing procedures shall be completed. After the completion of the construction project, the construction unit shall truthfully check and monitor it Record the construction and commissioning of environmental protection facilities (if any) of construction projects, and prepare acceptance monitoring (investigation) reports.

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Laws and Regulations Relating to Fire Control

According to the Fire Protection Law of the PRC (中華人民共和國消防法(2021年修訂)) which was promulgated by the National People's Congress Standing Committee on 29 April 1998 and amended on 28 October 2008, 23 April 2019 and 29 April 2021, for construction projects that require fire protection design in accordance with the national technical standards for engineering construction, the fire protection design review and acceptance system of construction projects shall be implemented, and the construction unit shall apply to the competent department of housing and urban-rural construction for fire control acceptance or record it in accordance with the law.

Laws and Regulations Relating to Customs

In accordance with the Foreign Trade Law of the PRC (中華人民共和國對外貿易法(2022年修訂)) which was promulgated by the National People's Congress Standing Committee on 12 May 1994 and amended on 6 April 2004, 7 November 2016 and 30 December 2022, and the Customs Law of the PRC (中華人民共和國海關法(2021年修訂)) which was promulgated on 22 January 1987 and amended on 8 July 2000, 29 June 2013, 28 December 2013, 7 November 2016, 4 November 2017 and 29 April 2021. The Administrative Provisions of the PRC on the Administration of the Recordation of Customs Declarants (中華人民共和國海關報關單位備案管理規定) which was promulgated by General Administration of Customs on 19 November 2021, and the Measures for the Recordation and Registration of Foreign Trade Operators (對外貿易經營者備案登記辦法(2021年修訂)) which was promulgated by the MOFCOM on 25 June 2004 and amended on 10 May 2021, foreign trade operators engaged in the import and export of goods or technology shall go through the filing and registration of foreign trade operators with the competent department of foreign trade under the State Council or the institutions entrusted by them, and import and export goods shall truthfully declare to the customs, import and export licences and relevant documents shall be submitted thereto.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (中華人民共和國外匯管理條例(2008年修訂)), promulgated by the State Council on 29 January 1996 and amended on 14 January 1997 and 5 August 2008, and various regulations issued by the State Administration of Foreign Exchange (the "SAFE") and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, require the prior approval from the SAFE or its local office. Payments for transactions that take place within the PRC must be made in Renminbi. Unless otherwise approved, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant rules and regulations of the PRC. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for the retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant rules and regulations of the PRC.

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Pursuant to the Notice of State Administration of Foreign Exchange on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) promulgated on 26 January 2017, when conducting outward remittance of a sum equivalent to more than U.S.\$50,000 to a domestic institution, the bank shall, under the principle of genuine transaction, check the profit distribution resolution made by the board of directors (or profit distribution resolution made by partners), original of tax filing form and audited financial statements, and stamp with the outward remittance sum and date on the original of tax filing form.

On 5 January 2018, the People’s Bank of China promulgated the Notice on Further Improving Policies of Cross-Border RMB Business to Promote Trade and Investment Facilitation (中國人民銀行關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知) (“**Circular No. 3 2018**”), which supports enterprises to use RMB in cross-border settlement and requires that for the investment income such as profits and dividends legally obtained by overseas investors in China, banks shall review relevant materials as required before processing cross-border RMB settlement and ensure free remittance of profits of foreign investors in accordance with the law.

The SAFE promulgated Notice on Further Promoting the Facilitation of Cross-border Trade and Investment (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) on 23 October 2019 and was amended on 4 December 2023, which cancelled restrictions on the domestic equity investment by non-investment foreign-funded enterprises with their capital funds. The non-investment foreign-funded enterprises are allowed to make domestic equity investment with their capital funds in accordance with the law on the premise that the existing special administrative measures (negative list) for foreign investment access are not violated and the projects invested thereby in the PRC are true and compliant.

LAWS AND REGULATIONS RELATING TO TAXES

Enterprise Income Tax

Pursuant to the Enterprises Income Tax Law of the PRC (中華人民共和國企業所得稅法(2018年修訂)) (the “**EIT Law**”) which was promulgated by the National People’s Congress on 16 March 2007 and amended on 24 February 2017, 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例(2019年修訂)) which was promulgated on 6 December 2007 and amended on 23 April 2019, taxpayers shall be divided into resident enterprises and non-resident enterprises. Resident enterprises, which refer to enterprises that are set up in accordance with the PRC law, or that are set up in accordance with the law of the foreign country (region) but with its actual administration institution in the PRC, shall pay enterprise income tax originating both within and outside the PRC. While non-resident enterprises that have set up institutions or premises in the PRC shall pay enterprise income tax in relation to the income originating from the PRC and obtained by their institutions or establishments, and the income incurred outside the PRC but having an actual relationship with the institutions or establishments set up by such enterprises. The income tax for both resident enterprises and non-resident enterprises who obtained the aforementioned income is at the same rate of 25%. Where non-resident enterprises have not set up institutions or establishments in the PRC, or where institutions or establishments are set up but have no actual relationship with the income obtained by such enterprises, they shall pay enterprise income tax in

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relation to the income originating from the PRC, which the rate of is 20%. The enterprise income tax shall be levied at a reduced rate of 15% for new and high-tech enterprises which need key support from the State.

According to the Administrative Measures for the Identification of High-tech Enterprises (高新技術企業認定管理辦法(2016年修訂)) which was promulgated on 14 April 2008 and amended on 29 January 2016, after obtaining the qualification of high-tech enterprises, enterprises can enjoy the above-mentioned enterprise income tax incentives from the year in which the high-tech enterprise certificate is issued.

The State Administration of Taxation (the “SAT”) issued the Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (promulgated on 22 April 2009 and amended on 29 December 2017) and Administrative Measures on Income Tax of Chinese-Controlled Enterprises Registered Abroad (for Trial) (境外註冊中資控股居民企業所得稅管理辦法(試行)) (promulgated on 27 July 2011, and amended on 17 April 2015, 28 June 2016 and 15 June 2018), respectively state the identification criteria and procedures of the enterprises that was invested by the enterprises or enterprise groups of mainland China as the major controlling shareholders and incorporated overseas in accordance with the laws of foreign countries or regions (including Hong Kong, Macau and Taiwan), as resident enterprises on the basis of their bodies of actual management within the territory of China.

Income Tax relating to Dividend Distribution

According to the EIT Law of the PRC (中華人民共和國企業所得稅法), if a non-resident enterprise does not have an institution or place in China, or if it has an institution or place but the income obtained is not physically connected with its institution or place, it shall pay enterprise income tax on its income derived from the territory of China, and the full amount of income from dividends, dividends and other equity investment income and interest, rent and royalties shall be the taxable income. According to the Arrangement between the Mainland of China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and 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稅避免雙重徵稅和防止偷漏稅的安排), if an enterprise in Hong Kong directly holds at least 25% of the equity of an enterprise in the PRC, then the withholding tax rate shall be 5% for the dividends distributed by the enterprise in the PRC to the enterprise in Hong Kong.

The SAT issued the Notice on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties (國家稅務總局關於執行稅收協定股息條款有關問題的通知) on 20 February 2009, according to which a transaction or arrangement for the primary purpose of achieving favourable tax position shall not constitute the reason for the application of preferential tax prescribed in dividend clauses in a tax treaty. Where a taxpayer enjoys unjustifiably the tax treatment prescribed in the tax treaty due to the said transaction or arrangement, the tax authorities in charge may make adjustments thereto. In addition, pursuant to the Announcement on Issues Relating to “Beneficial Owner” in Tax Treaties (國家稅務總局關於稅收協定中“受益所有人”有關問題的公告) promulgated by the State Administration of Taxation on 3 February 2018, the business activities undertaken by the applicant do not constitute substantive business activities, which are not favourable for determination of “beneficial owner” status of the applicant. Investment holding management activities of a substantive nature undertaken by the applicant

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may constitute substantive business activities; where the applicant undertakes investment holding management activities which do not constitute substantive business activities and simultaneously undertakes other business activities, if such other business activities are not significant enough, the applicant’s business activities shall not constitute substantive business activities.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例(2017年修訂)) promulgated by the State Council on 13 December 1993 and amended on 10 November 2008, 6 February 2016, 19 November 2017 and its implementation rules, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, sale of services, intangible properties, real estate and the importation of goods are required to pay value-added tax.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WARFARE

The Labour Law

The Labour Law of the PRC (中華人民共和國勞動法(2018年修訂)), which was promulgated by the National People’s Congress Standing Committee on 5 July 1994 and was amended on 27 August 2009 and 29 December 2018, stipulates that an employer and an employee shall conclude a labour contract when establishing a labour relationship. Employers shall establish and improve rules and regulations in accordance with law to ensure that employees enjoy labour rights and perform labour obligations. Employers must provide workers with labour safety and health conditions and necessary labour protection equipment that comply with national regulations, and shall conduct regular health examinations for workers engaged in occupationally hazardous operations.

The Labour Contract Law

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法(2012年修訂)》) (the “**Labour Contract Law**”), which was promulgated by the National People’s Congress Standing Committee on 29 June 2007 and amended on 28 December 2012, is primarily aimed at regulating employees/employers’ rights and obligations, including matters with respect to the establishment, performance and termination of labour contracts. Pursuant to the Labour Contract Law, labour contracts shall be concluded in writing if labour relationships are to be or have been established between enterprises or institutions and labourers.

Social Insurance and Housing Fund

According to the Law of the PRC on the Prevention and Treatment of Occupational Diseases (中華人民共和國職業病防治法(2018年修訂)) promulgated by the National People’s Congress Standing Committee on 27 October 2001 and amended on 31 December 2011, 2 July 2016, 4 November 2017 and 29 December 2018, the Regulation of Insurance for Labour Injury (工傷保險條例(2010年修訂)) promulgated by the State Council on 27 April 2003 and amended in 20 December 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (企業職工生育保險試行辦法) promulgated on 14 December 1994, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council (國務院關於建立統一的企業職工基本養老保險制度的決定) issued on 16 July 1997, the Decisions on Improving the Basic Old-Aged Pension Insurance of

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the State Council (國務院關於完善企業職工基本養老保險制度的決定) promulgated on 3 December 2005, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (國務院關於建立城鎮職工基本醫療保險制度的決定) promulgated on 14 December 1998, the Unemployment Insurance Measures (失業保險條例) promulgated on 22 January 1999 and the Social Insurance Law of the PRC (中華人民共和國社會保險法(2018年修訂)) promulgated by the National People’s Congress Standing Committee on 28 October 2010 and amended on 29 December 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labour injury insurance and medical insurance. These payments shall be made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the Regulations on the Management of Housing Funds (住房公積金管理條例(2019年修訂)) which was promulgated by the State Council on 3 April 1999 and amended on 24 March 2002 and 24 March 2019 enterprises must register at the competent managing centre for housing funds and upon the examination by such managing centre of housing funds, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees’ housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

Interim Provision on Labour Dispatch

According to the Interim Regulations on Labour Dispatch (勞務派遣暫行規定) promulgated by the Ministry of Human Resources and Social Security on 24 January 2014, employers can only use dispatched workers in temporary, auxiliary or substitute positions, and shall strictly control the number of dispatched workers, and the number of dispatched workers used shall not exceed 10% of their total employment.

LAW AND REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法), which was promulgated by China Securities Regulatory Commission (“CSRC”) on 17 February 2023, coming into effect on 31 March 2023, requires that if the issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies and shall therefore be subject to a filing to CSRC: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; (ii) the main part of the issuer’s business activities are conducted in the PRC, or its origin of business are mainly located in the PRC, or the majority of the issuer’s senior management in charge of the management of business operations are PRC citizens or have their usual place(s) of residence located in the PRC. Furthermore, subsequent reports on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings are required to be filed with the CSRC as well.