
REGULATORY OVERVIEW

LAWS AND REGULATIONS

During the Track Record Period, our production activities were principally based in the PRC. To the best knowledge and belief of our Directors and having made all reasonable enquiries, our Group had complied with the relevant applicable laws and regulations in all material aspects for its business operations in the PRC during the Track Record Period and up to the Latest Practicable Date. Such major relevant PRC laws and regulations are set out below:

LAWS AND REGULATIONS RELATING TO SAFETY OF AGRICULTURAL PRODUCTS

Product Quality Law

According to the provisions of the Product Quality Law of the PRC (中華人民共和國產品質量法) promulgated by the Standing Committee of the National People’s Congress (the “NPCSC”) on 22 February 1993, effective on 1 September 1993 and last amended on 29 December 2018, producers and vendors shall undertake responsibilities of the quality of products produced by them. If anyone produces or sells products in violation of the national standards or industry standards that protect human health, safety of physical body and property, the market supervision authority may order to stop the production or sales of such products, confiscate the products produced or sold illegally, and impose a fine in an amount equivalent to three times the value of products produced or sold illegally (including sold and unsold products); any illegal profit gained will be forfeited concurrently. In serious cases, the business licence will be revoked. If an offence is committed, such person will be liable for criminal liability.

The Agriculture Law

The Agriculture Law of the PRC (中華人民共和國農業法) was promulgated by the NPCSC on 2 July 1993, effective on the same day and last amended on 28 December 2012. The law is enacted with a view to consolidating and strengthening the position of agriculture as the foundation of the national economy. The main objective in developing agriculture includes, among others, enhancing the quality and efficiency of agriculture as a whole, ensuring the supply and quality of agricultural products and gradually bringing about the modernisation of agriculture. The system of registration or licence shall be applied in respect of the production and operation of the means of agricultural production such as seeds, pesticides, veterinary medicines, fodder and feed additives, fertilisers and farm machines. Governments at all levels shall establish a sound system for the safe use of the means of agricultural production while manufactures and sellers of the same shall be responsible for the quality of the products which they manufacture and sell.

Agricultural Products Quality Safety Law

According to the Agricultural Products Quality Safety Law of the PRC (中華人民共和國農產品質量安全法) (the “**Agricultural Products Quality Safety Law**”) promulgated by the NPCSC on 29 April 2006, effective on 1 November 2006, and amended on 26 December 2018 and 2 September 2022, the agricultural products refer to the primary products derived

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from agriculture, more specifically, the plants, animals, microorganisms and their products obtained in the course of agricultural activities. According to this law, agricultural products must comply with the relevant requirements in the following aspects to ensure that the quality of agricultural products will comply with the protective requirements for human health and safety, namely (i) quality safety standards for agricultural products; (ii) place of origin of the agricultural products; (iii) production of agricultural products; and (iv) packaging and identification marks of agricultural products.

Pursuant to the Agricultural Products Quality Safety Law, the standards for agricultural products quality safety are the compulsory technical specifications. Entity engaged in the production of agricultural products must compile production records and retain data in relation thereto. The administrative department of agriculture under the people's government at or above the county level shall be responsible for supervision and control of the quality and safety of agricultural product. The relevant department of the people's government at or above the county level shall, in compliance with the division of duties, be responsible for the work related to the quality and safety of agricultural products.

The Agricultural Product Quality Safety Law provides that the materials used in the package, preservation, storage and transport of agricultural products, such as preservatives, antiseptics and additives, shall meet the relevant compulsory technical specifications of the state; agricultural products failing to comply with such requirement are prohibited from sale.

Pursuant to Opinions of the Ministry of Agriculture and the China Food and Drug Administration on Strengthening Quality Safety Supervision and Management over Edible Agricultural Products (農業部、食品藥品監管總局關於加強食用農產品質量安全監督管理工作的意見) promulgated and effective on 31 October 2014, edible agricultural products refer to primary products that come from agricultural activities, namely plants, animals, microorganisms and other products obtained in the course of agricultural activities and for human consumption. "Agricultural activity" includes not only traditional agricultural activity, such as planting, breeding, picking, fishing, but also modern agricultural activity, such as facility agriculture and bioengineering. "Plants, animals, microorganisms and other products" refer to products that are directly obtained in the course of agricultural activities and processed products which have been obtained through the process of sorting, peeling, husking, smashing, cleaning, incising, freezing, waxing, classifying, packing and without changes of natural traits and chemical properties of these products.

Food recall

The Agricultural Product Quality Safety Law of the PRC stipulates various circumstances under which agricultural products already sold should be recalled. The competent departments for agriculture and rural affairs of the local people's governments at the county level or above shall have the power to, when an agricultural product production business violates the provisions of this Law and commits certain acts, order it to cease production and operation, recall the agricultural products already sold, and make harmless or destroy under supervision the agricultural products produced or operated in violation of

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law. In addition, the competent departments may confiscate the illegal earnings, confiscate among others the tools, equipment and raw materials used for illegal production and operation; and impose a fine.

According to Article 41 of the Agricultural Product Quality Safety Law, “the state shall implement traceability management for agricultural products included in the catalogue of agricultural product quality safety traceability,” and according to the Food Safety Law of the PRC (《中華人民共和國食品安全法》), the General Office of the State Council’s Opinions on Accelerating the Development of Traceability Systems for Key Products (《國務院辦公廳關於加快推進重要產品追溯體系建設的意見》), and Certain Measures of the Shandong Provincial People’s Government General Office on Strengthening Food Safety Efforts (《山東省人民政府辦公廳關於加強食品安全工作的若干措施》) and the provincial standard DB37/T 4349–2021 Catalogue of Key Traceable Products — Edible Agricultural Products in Shandong Province, the main varieties of our potted vegetable products are leafy vegetables, which belong to “products under encouragement to have traceability.” We have accessed the Qingdao Agricultural Product Quality Safety Traceability System, filled in information on, among others, products, inputs applied, and agricultural operations, and has obtained traceability codes, so that agricultural product tracing and recall can be carried out effectively when necessary.

Product Liabilities

According to the Civil Code of the PRC (中華人民共和國民法典) promulgated by the National People’s Congress on 28 May 2020, effective on 1 January 2021, and the Law on the Protection of Consumer Rights and Interests of the PRC (中華人民共和國消費者權益保護法) promulgated by the NPCSC on 31 October 1993, effective on 1 January 1994 and last amended on 25 October 2013, the manufacturers and distributors will be liable for losses and damages suffered by consumers caused by the defective products manufactured or distributed by them.

Food Safety Law

Pursuant to the Food Safety Law of the PRC (中華人民共和國食品安全法) (the “**Food Safety Law**”) promulgated by the NPCSC on 28 February 2009, effective on 1 June 2009, and last amended on 29 April 2021, the national standards of food safety shall be formulated and announced jointly by the health administration department of the State Council (the “**State Council**”) and the food safety supervision and administration department thereunder, while the standardisation administration department of the State Council shall provide the national standards codes. In addition, the state shall implement a licensing system for food manufacturing and food business operations. Persons engaging in food manufacturing, sale of food, food and beverage services shall obtain a licence pursuant to the law. However, it is not required to obtain a licence for sale of edible agricultural products. Food manufacturers and business operators shall establish a food safety tracing system to ensure the traceability of foodstuffs. The people’s governments at county level and above shall arrange their food safety supervision and administration department and

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the agricultural administration department to formulate the annual supervision and administration plan for food safety in their respective administrative region, announce to the public and organise implementation of the plans accordingly.

Pursuant to the Food Safety Law, in response to illegal conduct violating the Food Safety Law, the competent authority may forfeit the illegal profit and the food products and food additives produced or operated illegally, issue a warning, order for rectification or impose a fine; in serious cases, the relevant licence may be revoked and criminal liability may be incurred. If the value of illegally produced and operated food products and food additives is below RMB10,000, a fine above RMB50,000 and below RMB100,000 shall be imposed concurrently; if the value is above RMB10,000, a fine equivalent to an amount above 10 times and below 20 times of the value of the products shall be imposed concurrently.

Pursuant to the Food Safety Law and the Implementing Regulation for the Food Safety Law of the PRC (中華人民共和國食品安全法實施條例) promulgated by the State Council, effective on 20 July 2009 and last amended on 26 March 2019, any person who engages in the production and operation of food products and food additives shall obtain the corresponding licences for the production of food products and food additives in compliance with the law. The Food Safety Commission of the State Council will exercise supervision and administration on food production and operation activities. A food product recall system has been established at national level. If producers or operators of food products discover that the food products produced or operated by them do not comply with the food safety standards or evidences are available to prove that the food products may be harmful to human health, they should cease production and operation immediately, recall the food products which have been launched for sale in the market, notify the relevant producers, distributors and consumers, and keep the record of the recall and notification. When a food distributor discovers that the food it distributes does not comply with food safety standards, it shall immediately stop distributing such food, notify the relevant producers, sub-distributors and consumers, and keep the record of the cessation of distribution and the notification. The food producers shall take measures to safely recall and destroy the affected food, and report the treatment of the recalled food to the competent quality supervision authority.

Regulations on Plant Quarantine

Pursuant to the Regulations on Plant Quarantine (植物檢疫條例) promulgated by the State Council, effective on 3 January 1983 and last amended on 7 October 2017, plants and plant products set out in the quarantine catalogues are subject to quarantine inspections before they are delivered from a county administration area where an epidemic occurs. Plant seeds, seedlings or other propagating materials are subject to quarantine inspections prior to delivery, regardless of whether or not they are on list of the quarantine catalogues or where they will be transported to.

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Regulations relating to Pollution-free Agricultural Products

Pursuant to the Measures for the Management of Pollution-free Agricultural Products (2007 Amendment) (無公害農產品管理辦法 (2007修正)) (the “**Management Measures**”) implemented on 8 November 2007, pollution-free agricultural products are unprocessed or pretreated edible agricultural products which passed the relevant national standards and requirements in relation to the environment of origin, production process and product quality, and the products will be certified and allowed to use the pollution-free agricultural products logos.

According to the Management Measures, the origin of the pollution-free agricultural products shall meet the following criteria: (i) the environment of the origin meets the standard requirements of the environment of origin of pollution-free agricultural products; (ii) the area and scope of the origin is clear; and (iii) the origin holds a certain scale of production. The management of production of pollution-free agricultural products shall meet the following criteria: (i) the production process meets the standard requirements of pollution-free agricultural production technology; (ii) there are appropriate technical professions and management personnel; and (iii) there are comprehensive quality control measures and complete production and sales records. Entity or individual engaged in the production of pollution-free agricultural products shall apply agricultural inputs strictly in accordance with the relevant restrictions. The use of state-banned and eliminated agricultural inputs (such as calcium phosphide and DDT) are prohibited.

The procedures and criteria of applying for a Certificate of Pollution-free Agricultural Products are: (i) the product under the application for the Certificate of Pollution-free Agricultural Products must be listed on the Product List of Implementation of Pollution-free Agricultural Products Certificate (實施無公害農產品認證的產品目錄) implemented on 25 December 2013 under the Notice No. 2034 of Ministry of Agriculture and the State Certification and Accreditation Administration (農業部、國家認證認可監督管理委員會公告第2034號); (ii) according to the Regulations for the Recognition of Pollution-free Food Origin (無公害食品產地認定規範) (NY/T 5343–2006), the production areas and scope should be clear and relatively concentrated, and the area of vegetables in the facility should be more than 50,000 sq.m.; and (iii) according to the Management Measures, upon satisfactory assessment of the application materials, on-site inspection (if necessary) and product testing results by the certificate issuing authority, a Certificate of Pollution-free Agricultural Products will be issued within 30 working days from the date of receipt of the on-site inspection report and product testing report. The entity or individuals obtaining the Certificate of Pollution-free Agricultural Products can use the pollution-free agricultural products logo on the products, packaging, labels, advertisements and product manuals as specified in the certificate.

Pursuant to the Notice of Implementation and Deep Learning of the Agricultural Products Safety Regulations of the PRC (關於深入學習貫徹〈中華人民共和國農產品品質安全法〉〈中華人民共和國農產品品質安全法〉的通知) (農辦質[2022]16號) (the “**Implementation Notice**”) issued by the Office of Agricultural Rural Bureau* (農業農村部辦公廳) on 24 September 2022, the Agricultural Rural Bureau will not accept any new applications (including renewal) of Certificate of Pollution-free Agricultural Products with effective from the date

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of the Implementation Notice. However, the existing Certificate of Pollution-free Agricultural Products will still be valid before they expired. Following the change of the food safety regulations of the PRC (i.e. the amendments to the Agricultural Products Quality Safety Law in 2022 in relation to compliance with the relevant requirements in quality safety standards for agricultural products and compulsory technical specifications of the standards for agricultural products quality), the Agricultural Rural Bureau will no longer issue any new Certificate of Pollution-free Agricultural Products. However, the new food safety regulations have imposed a more stringent requirements on the use of pesticides for all agricultural producers and the government authorities will strictly enforce the food safety regulations by closely monitoring the agricultural producers. Pursuant to the Implementation Notice, the relevant government authorities will continue strength the food safety monitoring system, risk management and inspection of agricultural products to ensure that agricultural products in the market are in compliance with the relevant food safety regulations.

REGULATIONS RELATING TO PREVENTION AND CONTROL OF COVID-19 EPIDEMIC

The General Office of Ministry of Agriculture and Rural Affairs issued an urgent notice to manage and arrange the supply of vegetables during the epidemic on 29 January 2020. The notice stressed that the vegetable portfolio and production shall be arranged according to the market demands during the epidemic. The production of leafy vegetables and fast-growing vegetables may be increased accordingly to meet the market demands and ensure the vegetable variety-balance in supplying. To accelerate the growing of vegetables, cultivation technology could be utilised and the vegetable production bases shall strengthen their cooperation so as to guarantee the timely supply of vegetables in the market. The competent authorities shall provide more guidance to the vegetable production units especially to the sized-production agriculture enterprises. By active cooperating with the transport department, public safety department etc., the unimpeded transport of fresh farm products through “green channels” shall be guaranteed with higher efficiency and lower costs to realise the smooth distribution of vegetables.

On 30 January 2020, the General Office of the Ministry of Agriculture and Rural Affairs, the General Office of the Ministry of Transport and the General Office of the Ministry of Public Security issued an urgent notice on ensuring the normal supply of “vegetable basket” products and agricultural production materials, which requires strict implementation of the “green channel” system and the implementation of the requirements in the Notice of the Ministry of Transport, the National Development and Reform Commission and the Ministry of Finance on Further Optimising the ‘Green Channel’ Policy for the Transportation of Fresh Agricultural Products (交通運輸部、國家發展改革委、財政部關於進一步優化鮮活農產品運輸“綠色通道”政策的通知), so as to ensure the smooth transportation of fresh agricultural products and the normal supply of “vegetable basket” products and agricultural production materials.

On 12 February 2020, the State Council issued the Notice of the Joint Prevention and Control Mechanism for the Outbreak of COVID-19 of the State Council on Holding City Mayors Responsible for the “Vegetable Basket” and Steady Production and Guarantee of

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Agricultural Products (國務院應對新型冠狀病毒感染肺炎疫情聯防聯控機制關於壓實“菜籃子”市長負責制做好農產品穩產保供工作的通知), which requires that during the prevention and control of outbreak of COVID-19, normal economic and social order shall be maintained, and the supply of vegetables, meat, eggs, milk, food and other residents' necessities shall be ensured. The problem of recruitment difficulty and high cost of labour for vegetable production should be resolved. Industrialised seedling production should be developed to shorten the growth cycle of vegetables, and fast growing leafy vegetables and sprouting vegetable should be appropriately cultivated in the surrounding areas of large and medium-sized cities in order to accelerate the production of vegetables. It is necessary to implement the “green channel” policy for the transportation of fresh agricultural products to maintain the normal market supply.

On 12 February 2020, the General Office of Shandong Provincial People's Government issued the Notice of Certain Measures on Expediting the Resumption of Agricultural Production and Ensuring Stable Production and Supply of Major Agricultural Products for the Purpose of Actively Responding to the Novel Coronavirus Epidemic (關於積極應對新冠肺炎疫情加快恢復農業生產確保重要農產品穩產保供的若干措施的通知), which requires the speedy resumption of agricultural production throughout the province and strictly implement the practice of holding city mayors responsible for the “vegetable basket” (non-grain food supply), so as to ensure the supply of major agricultural products to markets and ensure free passage of fresh agricultural products. The inspection formalities and procedures for vehicles carrying fresh agricultural products shall be simplified. On 15 February 2020, Shandong Provincial Department of Agriculture and Rural Affairs issued the Qualification Certificate of Livelihood Enterprise (民生保供企業資質證明), the vehicles carrying the products within the scope of the companies' transportation, production and processing shall be given priority in road access.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The existing production and operation projects of our Group fall within the agricultural products base projects specified in the List of Systematic Management on Construction Projects Environmental Impact Assessment (建設項目環境影響評價分類管理名錄), and Laixi Facility is located in the protection area of drinking water source. Therefore, any construction projects of our Group within Laixi Facility shall go through the relevant procedures of environmental impact assessment according to law.

Environmental Protection Law

Pursuant to the PRC Environmental Protection Law (中華人民共和國環境保護法) promulgated by the NPCSC, effective on 26 December 1989 and last amended on 24 April 2014, the government department in charge of the administration in relation to environmental protection under the State Council shall conduct unified supervision and management of the environmental protection work throughout the State, and establish the national standards for environment quality and discharge of pollutants. The government departments in charge of the administration in relation to environmental protection of the local governments at or above the county level shall conduct unified supervision and management of the environmental protection work within areas of their jurisdiction. The

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relevant departments of the people's governments at county level and above and the environmental protection departments of armed forces shall implement supervision and administration of environmental protection work such as resource protection and prevention and treatment of pollution pursuant to the provisions of the relevant laws. The environmental protection department of the State Council shall formulate the state's pollutant emission standards in accordance with the state's environmental quality standards and the economic and technological conditions. Enterprises in breach of the environmental protection law may be subject to warning, payment of damages, fines, restriction or suspension of production or an order to halt production, depending on the degree of seriousness of each case. If a criminal offence is committed, the operator will be liable for criminal liability in accordance with the law.

Water Pollution Prevention and Control Law

Pursuant to the Law of the PRC on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法) promulgated by the NPCSC on 11 May 1984, effective on 1 November 1984 and last amended on 27 June 2017, irrigation water shall meet appropriate standards for the sake of prevention of the pollutions of soil, underground water and agricultural products. The production and operation units must discharge water pollutants in accordance with national and local standards. If the amount of discharged water pollutants exceeds the national or local standards, the production and operation units will be imposed a fine equivalent to an amount between RMB100,000 and RMB1,000,000. In addition, the environmental protection authority is empowered to order the relevant production and operation units to restrict or cease their production for rectification, and in severe circumstances, the case will be reported to the government with approval authority to impose an order to suspend or shut-down its business.

POLICIES ON SUPPORTING THE DEVELOPMENT OF AGRICULTURE AND THE VEGETABLE INDUSTRY

On 16 January 2012, the National Development and Reform Commission of the PRC* (國家發展改革委), the Ministry of Agriculture, and relevant departments jointly formulated the National Plan for the Development of Vegetable Industry (2011–2020) (全國蔬菜產業發展規劃(2011–2020年)), according to which the vegetable industry has gradually developed from a "family vegetable garden" into a pillar industry for the economic development of the agriculture and villages in major production areas. The vegetable industry has also developed into an advanced industry with relatively strong international competitiveness, with prominent force in securing supply, increasing revenue and boosting employment. The document explicitly states that Yellow River and Huaihe River Basin and Bohai Sea Region are major regions for balancing the annual supply and demand in the country. Among which, Shandong region is suitable for developing greenhouse vegetable production as it has relatively abundant light and heat resources during winter and spring seasons as well as convenient transportation.

On 30 January 2015, the General Office of the Ministry of Agriculture promulgated the National Plan for the Development of Major Regions for Greenhouse Vegetables (2015–2020) (全國設施蔬菜重點區域發展規劃(2015–2020年)), according to which vegetable is

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necessary food for people’s daily life and its supply should be primarily dependent on local production and supplemented by long-distance supply in order to meet nationwide vegetable demand. For realising local production, it is necessary to use facilities like sunlight greenhouse, plastic arch shed, sunshade, and net shed to create suitable environments during seasons unfit for open land vegetable plantation. The development of the greenhouse vegetable industry will not only solve the problem of balancing full-year supply and demand of vegetables, but also make historic contributions to the increase of farmers’ revenue and resources optimisation.

On 18 January 2018, the Ministry of Agriculture issued the Opinions on Facilitating the Transform and Upgrade of Agriculture by Implementing Rural Revitalisation Strategies (關於大力實施鄉村振興戰略加快推進農業轉型升級的意見), according to which the agricultural industry of our country shall be transformed from quantity expansion to quality improvement, and facilitating the transform and upgrade of agriculture. The standardisation of agriculture shall be promoted with efforts. Entities with economics of scale are encouraged to adopt standardised production and establish production records. After 2–3 years of efforts, agriculture production standardisation will be basically realised in the suburbs of major cities and main “Vegetable Basket” counties. Brand improvement actions will be implemented in order to build a series of regional public brands of agricultural products, etc.. The development of greenhouse agriculture shall be enhanced and the comprehensive management of continuous cropping shall also be improved.

On 2 January 2020, the Central Committee of the Communist Party of China and the State Council issued the Opinions on Strengthening the Works on Agriculture, Rural Areas and Rural People to Ensure the Scheduled Realisation of All-around Well-off (關於抓好「三農」領域重點工作確保如期實現全面小康的意見), according to which the battle against poverty is set as a must-win task, the reform in supply-side of agriculture will be strengthened, and the development of high quality agriculture will be promoted. The construction of facilities for modern agriculture will be strengthened and the implementation of a series of major investment projects in modern agriculture will be planned in advance in order to support the earlier kick-off of projects and to effectively expand the investment in agriculture.

LAWS AND REGULATIONS APPLICABLE TO CONSUMER PROTECTION

Consumer Protection Law

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 NPCSC on 31 October 1993, effective on 1 January 1994 and was last amended on 25 October 2013.

According to the Consumer Protection Law, the rights and interests of 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. Any breach 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

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licence will be revoked. Business operators may incur criminal liability where they infringe consumers' rights by producing or selling foods that incorporate toxic and harmful non-food materials.

Price Law

According to the Price Law of the PRC (《中華人民共和國價格法》) promulgated and effective on 29 December 1997, except for prices under guidance of or fixed by the government, the prices of goods and services shall be regulated by the market and determined independently by operators. According to the Agricultural Law of the PRC (《中華人民共和國農業法》) promulgated and effective on July 2, 1993, and amended on December 28, 2002, August 27, 2009, and December 28, 2012, the purchase and sale of agricultural products shall take place under the regulation of the market, and the state shall exercise necessary macro-control over the purchase and sale activities of agricultural products that are vital to the national economy and people's livelihood. The potted vegetable business of Fujing Agriculture does not fall under the circumstances where prices are guided or fixed by the government, and should follow the principles of fairness, legitimacy and good faith to independently determine prices.

LAWS AND REGULATIONS RELATING TO LABOUR PROTECTION

Employment Contract Law

Pursuant to the Employment Contract Law of the PRC (中華人民共和國勞動合同法) promulgated by the NPCSC on 29 June 2007, effective on 1 January 2008, and amended on 28 December 2012, and the Regulation on the Implementation of the Employment Contract Law of the PRC (中華人民共和國勞動合同法實施條例) promulgated by the State Council on 18 September 2008 and effective on the same date, an employment relationship shall be deemed to have been established from the date when an employee begins to work for the employer. Labour contracts must be prepared in writing. After consensus has been reached with sufficient negotiations, the employer and employee may enter into labour contracts with a fixed term or a variable term; or with a term of service ended on the completion of certain tasks. After consensus has been reached with sufficient negotiations or in circumstances where the statutory conditions are fulfilled, the employer may terminate the labour contracts in accordance with the law and lay off the employees. Where the employer fails to contribute social security premiums for the employee pursuant to the law, an employee may rescind the labour contract and the employer shall make economic compensation to such employee.

Labour Law

Pursuant to the Labour Law of the PRC (中華人民共和國勞動法) promulgated by the NPCSC on 5 July 1994, effective on 1 January 1995 and last amended on 29 December 2018, enterprises and institutions shall establish and perfect their system of work place safety and sanitation and strictly abide by the state rules and standards on work place safety, educate employees in labour safety and sanitation. Labour safety and sanitation facilities shall

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comply with statutory standards. Enterprises and institutions shall provide employees with a safe work place and sanitation conditions which are in compliance with relevant laws and regulations of labour protection.

Law of the PRC on Labour-dispute Mediation and Arbitration

Pursuant to the Law of the PRC on Labour-dispute Mediation and Arbitration (中華人民共和國勞動爭議調解仲裁法) promulgated by the NPCSC on 29 December 2007 and effective on 1 May 2008, where a labour dispute arises and the parties are not willing to have a consultation, or the consultation fails, or the settlement agreement reached is not performed, they may apply to a mediation institution for mediation. Where the parties are not willing to have mediation, or the mediation fails, or the mediation agreement reached is not performed, they may apply to a labour-dispute arbitration commission for arbitration. Where they are dissatisfied with the arbitral award, they may initiate a litigation to a people's court, unless otherwise provided for in this law.

Other Relevant Laws and Regulations

Pursuant to (i) the Social Insurance Law of the PRC (中華人民共和國社會保險法) (the "Social Insurance Law") promulgated by NPCSC on 28 October 2010, effective on 1 July 2011 and amended on 29 December 2018, (ii) the Interim Regulations concerning the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated and implemented on 22 January 1999 and amended on 24 March 2019 by the State Council, (iii) the Regulation on the Administration of Housing Provident Funds (住房公積金管理條例) promulgated by the State Council and effective on 3 April 1999, and last amended on 24 March 2019, (iv) the Regulation of Insurance for Labour Injury (工傷保險條例) promulgated by the State Council on 27 April 2003, effective on 1 January 2004 and amended on 20 December 2010, (v) the Provisional Measures for Maternity Insurance of Employees of Corporations (企業職工生育保險試行辦法) promulgated by the Ministry of Labour on 14 December 1994 and effective on 1 January 1995, and (vi) regulations on pension insurance, medical insurance and unemployment insurance in the provincial and municipal levels, the employer shall pay pension insurance fund, basic medical insurance fund, unemployment insurance fund, occupational injury insurance fund, maternity insurance fund and housing fund for the employees. After the Social Insurance Law became effective, where an employer fails to pay social insurance premiums on time or in full amount, he/she/it will be ordered by the collection agency of social insurance premiums to pay or make up the deficit of premiums within a prescribed time limit, and a daily late fee at the rate of 0.05% of the outstanding amount from the due date will be imposed; and if it still fails to pay the premiums within the prescribed time limit, a fine of one time to three times to the outstanding amount might be imposed by the relevant administrative department.

Meanwhile, an overdue in the payment and deposit of, or underpayment of the housing provident fund constitutes a breach of the Regulation on the Administration of Housing Provident Funds. The housing provident fund management centre shall order it to make the payment and deposit within a prescribed time limit. Where the payment and deposit has not

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been made after the expiration of such time limit, an application may be made by the housing provident fund management centre to a people's court for compulsory enforcement.

Pursuant to the Opinions of the General Office of the State Council on Comprehensively Advancing Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見) promulgated and implemented by the General Office of the State Council on 6 March 2019, the maternity insurance and basic medical insurance for workers will be merged with the basic medical insurance fund for workers and the contribution by the employers shall be uniformly paid to the relevant administrative department.

LAWS AND REGULATIONS RELATING TO TAXATION

PRC Enterprise Income Tax

Pursuant to the EIT Law promulgated on 16 March 2007, effective on 1 January 2008 and last amended on 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) (the "**Regulations of Enterprise Income Tax Law**") promulgated on 6 December 2007, effective on 1 January 2008 and amended on 23 April 2019, the EIT is applicable to all domestic enterprises and foreign-invested enterprises in the PRC and all foreign enterprises with production and operation facilities set up in the PRC. These enterprises are classified as resident enterprises and non-resident enterprises. Enterprises which are incorporated according to the laws of foreign countries or regions with their de facto management organisation (which refers to the organisation that exercises substantive and full management and control over, among others, the production and operation, personnel, accounts and properties of the enterprise) situated in the PRC are deemed to be resident enterprises, therefore their income sourced from within and outside the PRC will generally be subject to EIT at the tax rate of 25%. According to the Article 27 of the EIT Law and Article 86 of the Regulations of Enterprise Income Tax Law, enterprise income from agriculture, forestry, husbandry and fishery projects may be reduced or exempted from taxation. Pursuant to the abovementioned provisions and with the approval of Dianbu Branch of the State Taxation Bureau of Laixi City, Fujing Agriculture's enterprise income from agriculture has been exempted from taxation for the period from 1 May 2010 to 1 May 2050.

According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業所得稅若干問題的公告) issued by the SAT on 3 February 2015, effective on the same date and last amended on 29 December 2017, if any non-resident enterprise transfers assets, such as the equity interest in a resident enterprise of the PRC, by carrying out an arrangement without a reasonable business purpose to avoid the EIT payment obligation, the nature of such indirect transfer transaction should be re-determined according to the provisions of the EIT Law and be recognised as a direct transfer of assets, such as the equity interest in a resident enterprise of the PRC. The income from an indirect transfer of real property or the income from an indirect transfer of shares

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is taxable for EIT according to the Notice, the entity or individual that is directly responsible for payment obligations of the relevant amounts to the transferor of the equity interest under the relevant provisions of the law or contract terms shall be responsible for withholding and payment of tax. According to the Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on Non-Resident Enterprises (關於非居民企業所得稅源泉扣繳有關問題的公告) issued by the SAT on 17 October 2017, effective on 1 December 2017 and amended on 15 June 2018, the party responsible for withholding and payment of tax shall report to the competent taxation authority at the place where it is located and release the withheld amount for tax payment within seven days from the date when the obligation of withholding and payment of tax arises. If the party responsible for withholding and payment of tax fails to make payment on the due date, the case should be handled according to Section 1 of the Announcement of the State Administration of Taxation on Several Issues Concerning the Administration of Income Tax on Non-Resident Enterprises (國家稅務總局關於非居民企業所得稅管理若干問題的公告).

Value-added Tax

According 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) (the “**Provisional Regulations on Value-added Tax**”) promulgated by the State Council on 13 December 1993, effective on 1 January 1994 and last amended on 19 November 2017, and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例實施細則) promulgated by the Ministry of Finance and the SAT and effective on 25 December 1993 and last amended on 28 October 2011, all units and individuals engaged in the sales of goods, provision of processing, repairs and replacement services, and the import of goods within the territory of the PRC are subject to VAT. According to the Article 15 of the Provisional Regulations on Value-added Tax, self-produced agricultural products sold by agricultural producers shall be exempted from VAT. Pursuant to Article 15 and with the approval of Dianbu Branch of the State Taxation Bureau of Laixi City, Fujing Agriculture’s income from self-produced agricultural products during 1 January 2012 and 30 June 2031 has been exempted from VAT.

Withholding Tax on Dividend Distributions

According to the EIT Law and the Regulations of Enterprise Income Tax Law, the dividends distributed to investors who are non-resident enterprises (which have not established any organisation or premises in the PRC, or although they have established organisation or premises in the PRC, the income obtained has no de facto connection with such organisation or premises), to the extent of being sourced from the PRC, are subject to the withholding tax of 10% in the PRC, except for the availability of tax credit on the relevant tax under an applicable tax treaty signed between the PRC and the jurisdiction of such non-resident enterprises. Similarly, if any gain obtained by such investors from the transfer of shares is deemed to be a gain in income sourced within the PRC, such gain is taxable for PRC income tax at the tax rate of 10% (or at a lower rate under tax treaty, if applicable).

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According to the Arrangement between Mainland China and the 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) effective on 8 December 2006 and amended by the Fifth Protocol to the Arrangement between the Mainland China and the 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第五議定書) effective on 6 December 2019, the withholding tax rate for dividends paid by a PRC enterprise to a Hong Kong enterprise is 5% in case the Hong Kong enterprise is the beneficial owner and directly holds at least 25% of equity interests of the subject PRC enterprise.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (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) promulgated by the SAT and effective on 20 February 2009, all of the following requirements shall be satisfied where a taxable resident of the other party to a tax agreement is entitled to such tax agreement treatment to be taxed at a rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a taxable resident should be a company as provided in the tax agreement; (ii) such a taxable resident holds equity interests and voting shares in a Chinese resident company which are above a particular percentage; and (iii) such a taxable resident directly holds the equity interests in a Chinese resident company above a particular percentage, at any time during the twelve months prior to the obtainment of the dividends.

According to the Administrative Measures on Non-resident Taxpayers' Enjoyment of the Treatment under Tax Treaties (非居民納稅人享受協定待遇管理辦法) promulgated by the SAT on 14 October 2019 and effective on 1 January 2020, where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through the withholding agent, simultaneously gather and retain the relevant materials for future inspection, and accept follow-up administration of the tax authorities. The relevant materials to be retained for future inspection include the materials to prove that the non-resident taxpayer is a “beneficiary owner” under the tax treaties. Pursuant to the Announcement of the State Administration of Taxation 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) (the “**Announcement of Beneficial Owner**”) promulgated on 3 February 2018 and effective on 1 April 2018, the “beneficial owner” shall mean a person who has ownership and control over the income and the rights and property from which the income is derived. When an individual who is a resident of the treaty counterparty derives dividend income from the PRC, such individual may be identified as a “beneficial owner”. The Announcement of Beneficial Owner also specifies that if the business activities carried out by the applicant do not constitute substantive business activities, such applicant will be treated unfavourably in determining whether it has the status as a “beneficial owner”.

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Environmental Protection Tax Law

According to the Environmental Protection Tax Law of the PRC (中華人民共和國環境保護稅法) (the “**EPT Law**”) promulgated by the NPCSC on 25 December 2016, last amended on 26 October 2018 and effective on the same day, enterprises which discharge taxable pollutants such as air pollutants, water pollutants, solid waste and noise shall file and pay environmental protection tax to the authorities on a quarterly basis from 1 January 2018 based on the List of Items and Amounts of Environmental Protection Tax (環境保護稅稅目稅額表) and the List of Taxable Pollutant and Relevant Equivalent under the Environmental Protection Law (應稅污染物和當量值表). The environmental protection tax will be collected and managed by tax authorities in accordance with the Law of the PRC on the Administration of Tax Collection (中華人民共和國稅收徵收管理法) and the EPT Law; and the environmental protection tax instead of the pollutant discharge fees shall be collected after the EPT Law takes effect.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Trademark Law

Pursuant to the Trademark Law of the PRC (中華人民共和國商標法) (the “**Trademark Law**”) promulgated by the NPCSC on 23 August 1982, effective on 1 March 1983 and last amended on 23 April 2019, and Regulation for the Implementation of Trademark Law of the PRC (中華人民共和國商標法實施條例) promulgated on 3 August 2002, effective on 15 September 2002 and amended on 29 April 2014, the Trademark Office of China National Intellectual Property Administration (國家知識產權局商標局, the “**Trademark Office**”) under the SAIC is responsible for the registration of trademarks in the PRC. Any individual, legal entity or organisation that intends to acquire the exclusive right to use a trademark in the production and operation activities shall file an application for trademark registration with the Trademark Office. The duration of a trademark right is 10 years. The registered holder of a trademark may apply for an extension of registration for a subsequent valid term of 10 years. The registered holder of a trademark may enter into a trademark licensing agreement to allow the use of his/her/its trademark by the licensee. Trademark licensing agreements must be submitted to the Trademark Office for filing and record. In consideration of application for registration, the Trademark Law adopts the principle of “first application”. If a subsequent application is the same as or similar to a trademark which has been registered or approved under initial review with the same or similar class(es) of commodity or service, the application for trademark registration may be refused. Any person who makes an application for trademark registration must not impair the existing prior rights of others, and shall not register in advance the trademark which has been used by others and has “certain influence”. In the event of a dispute arising from any act of infringement of exclusive rights to use registered trademarks, the parties involved shall negotiate for resolution; where the parties involved are unwilling to negotiate or where negotiation is unsuccessful, the trademark registrant or a stakeholder may file a lawsuit with a people’s court or request the administration for industry and commerce to handle the dispute.

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On 23 April 2019, the NPCSC issued amendments on the Trademark Law, which becomes effective since 1 November 2019. According to the new amendments, where an application for the registration of a trademark is made with malicious intent and not for the purpose of usage, the application shall be rejected and the Trademark Office can punish the applicant by giving warning or imposing a fine. Furthermore, if a registration is considered to be malicious and not for the purpose of usage, the Trademark Office may declare that such registration is invalid; and a third party may request the Trademark Appeal Board to declare that such registered trademark is invalid.

Patent Law

Pursuant to the Patent Law of the PRC (中華人民共和國專利法) promulgated by the NPCSC on 12 March 1984, effective on 1 April 1985 and last amended on 1 June 2021, and its implementation rules (中華人民共和國專利法實施細則) promulgated by the State Council on 15 June 2001 and last amended on 9 January 2010, the patent administrative department under the State Council is responsible for the administration of patents in the country level, whereas the patent administrative authorities under the people's governments of provinces, autonomous regions and municipalities are responsible for the administration of patents within their respective administrative regions. The patent system in the PRC follows the principle of "first application", which means if two or more applicants have applied for a patent of the same invention or creation, the patent will be granted to the first applicant. An application for a patent for invention or utility model must fulfil three criteria, namely novelty, inventiveness and practical applicability. A patent of invention has a valid period of 20 years, whereas the valid period of patents for utility model and design are 10 years and 15 years respectively, all commencing from the application date. Non holder must obtain licence or proper authorisation from the patent holders before using the patents. In the event of a patent dispute, the parties involved shall negotiate for resolution; where the parties involved are unwilling to negotiate or where negotiation is unsuccessful, the patent holder or a stakeholder may file a lawsuit with a people's court, or may request the authorities for administration of patent matters to handle the matter.

Domain Law

Pursuant to the Measures for the Administration of Internet Domain Names (互聯網域名管理辦法) promulgated by the Ministry of Industry and Information Technology (the "MIIT") on 24 August 2017 and effective on 1 November 2017, domain name shall refer to the character mark of hierarchical structure, which identifies and locates a computer on the Internet and corresponds to the Internet Protocol address of that computer. The MIIT supervises and administers the domain name services in the PRC. The registration for domain names such as the first-tier domain name ".cn" follows the principle of "first application, first registration". An applicant for registration of domain name shall provide information for the registration of domain name such as the true, accurate and complete information on the identity of the domain name holder to the domain name registration service authority. After completion of the registration procedures, the applicant will become the holder of the relevant domain name. Any registration and use of domain names by organisations and individuals shall abide by the requirements of the Measures for the

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Administration of Internet Domain Names, and any registrations and uses of domain names in breach of the said Measures constitutes an offence and is subject to criminal liability.

Pursuant to the Procedures for Resolution of Disputes over National Top-level Domain Names (國家頂級域名爭議解決辦法), which was issued by the China Internet Network Information Centre ("CNNIC"), which was promulgated and effective on 18 June 2019, domain name disputes shall be handled and resolved by the dispute resolution service providers as accredited by the CNNIC.

LAWS AND REGULATIONS RELATING TO THE USE, ACQUISITION AND LEASE OF COLLECTIVELY-OWNED LAND

Land Administration Law

Pursuant to the Land Administration Law of the PRC (中華人民共和國土地管理法) (the "**Land Administration Law**") promulgated by the NPCSC on 25 June 1986, effective on 1 January 1987 and last amended on 26 August 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (中華人民共和國土地管理法實施條例) promulgated by the State Council on 27 December 1998, effective on 1 January 1999 and last amended on 2 July 2021 and effective on 1 September 2021, the natural resources administrative department under the State Council shall be responsible for administration and supervision work pertaining to land nationwide. On the other hand, the respective people's governments of provinces, autonomous regions and centrally-administered municipalities shall be responsible for setting up their respective natural resources administrative departments and determining their respective duties pursuant to the relevant provisions promulgated by the State Council. Further, the State Council may authorise agencies to supervise land use and land administration by the people's governments of provinces, autonomous regions and centrally-administered municipalities as well as municipal people's governments determined by the State Council. Pursuant to the Article 9 of the Land Administration Law, downtown area land in cities shall belong to the state. Rural and suburbs land shall be collectively-owned by farmers, unless the laws stipulate otherwise; homestead and reserved land and hilly land reserved for private use shall be collectively-owned by farmers. Pursuant to the Article 63 of the Land Administration Law, where collectively-operated development land is determined as industrial use and commercial use or other business purposes in the land use master plan or urban-rural planning and has been registered pursuant to the law, subject to consent of more than two-thirds of the members of the rural collective economic organisation or more than two-thirds of villager representatives, the land owner may transform the land use to organisation or individual user by way of, among others, assignment and lease.

According to the Provisions on Transfer of the Use Right of State-owned Construction Land through Bidding, Auction and Listing (招標拍賣掛牌出讓國有建設用地使用權規定) promulgated by the Ministry of Resources on 9 May 2002, effective on 1 July 2002 and amended on 1 November 2007, a parcel of business land for industrial, commercial, tourism, entertainment and commercial housing purposes and a land parcel that has more than two potential users shall be transferred by means of bidding, auction or listing. Any individual or entity within the territory of the PRC may apply to participate in such

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bidding, auction and listing. The land administration department at municipal or county levels shall determine the base bidding price in accordance with the land appraisal and the government's policy. The base bidding price shall not be lower than the minimum price specified by the state. If the bidder's construction plan of the land is in compliance with the requirements prescribed in the announcement published by the competent land administration and the bidder offers the highest price in the bidding, such bidder would win the bidding, and should enter into the grant contract of land use right contract with the land administration department and pay grant fees and other charges to the government for the grant of land use right. After the aforementioned formalities are completed, the entity or individual will obtain the land use right of the subject state-owned land accordingly.

Classification of Land Use Status

Pursuant to the Classification of Land Use Status (土地利用現狀分類) (GB/T 21010–2017) promulgated and implemented 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) and the Standardisation Administration of the PRC (國家標準化管理委員會) on 1 November 2017, the classification code "1202" "land for facilities agriculture" (設施農用地) applies to the land directly used for commercial livestock and poultry breeding and production facilities and ancillary facilities therefor; land for facilities and ancillary facilities directly used for the production of agricultural products such as crop cultivation or aquaculture; land for facilities directly used for auxiliary production of facilities agriculture; drying farm, grain and fruit drying facilities, temporary storage of grain and agricultural materials, temporary storage of large agricultural machinery and tools, and other necessary facilities for large-scale grain production.

Notice on Further Support for the Healthy Development of Facilities Agriculture

The Notice on Further Support for the Healthy Development of Facilities Agriculture (關於進一步支持設施農業健康發展的通知), which was promulgated by the Ministry of Resources and the Ministry of Agriculture and Rural Affairs and effective from 29 September 2014 to 28 September 2019, provides the scope of land for (i) facilities agriculture (ii) production facilities, and (iii) ancillary facilities, and the detailed specifications for the land for production facilities, ancillary facilities and supporting facilities for the said period. The said Notice also specifically provides that the land for facilities agriculture shall be managed as agricultural land.

Notice on the Management of the Land for Facilities Agriculture

The Notice on the Management of the Land for Facilities Agriculture issued by the Ministry of Natural Resources and the Ministry of Agriculture and Rural Affairs (自然資源部農業農村部關於設施農業用地管理有關問題的通知), which was promulgated and effective on 17 December 2019, prescribes the scope and scale of land for facilities agriculture. The Notice also prescribes that government departments in charge of management of natural resources agriculture and rural affairs at municipal and county levels shall be jointly responsible for the routine management of land for facilities agriculture. On the other hand, the government departments in charge of natural resources and agricultural and rural affairs at national and provincial levels shall be responsible for the supervision of land for

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facilities agriculture. Land for facilities agriculture shall be filed with the government at town level for record purpose by the rural collective economic organisations or operators, and the government at town level shall regularly collect and pass the information to the government department of natural resources at county level. Construction works involving the permanent basic farmland* (永久基本田) shall not begin until and unless approval of the government department of natural resources at county level is obtained.

According to the Law of the PRC on Land Contract in Rural Areas (中華人民共和國農村土地承包法) promulgated by the NPCSC on 29 August 2002 and last amended on 29 December 2018, the PRC applies the system of contractual management of rural land; and the contractee and contractor shall enter into a contract setting out the rights and obligations of the parties thereto. During the contracting period, the contractee shall not take back the contracted land. In accordance with the Administrative Measures for Transfer of Management Rights of Rural Land (農村土地經營權流轉管理辦法) promulgated by the MOA on 26 January 2021 and effective on 1 March 2021, the contractor may transfer the management rights of contracted rural land by leasing (subcontracting), share acquisition, or any other methods in accordance with the relevant laws and national policies. When transferring the management rights of contracted rural land, the contractor shall enter into a written contract with the assignee on the basis of agreement reached through negotiation, and report the matter to the contractee for record.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Regulation on Foreign Exchange Administration

Pursuant to the Regulation on Foreign Exchange Administration of the PRC (中華人民共和國外匯管理條例) promulgated by the State Council on 29 January 1996, effective on 1 April 1996 and last amended on 5 August 2008, the foreign exchange income of a domestic entity or individual may be repatriated to the PRC or deposited overseas. The conditions and deadline for repatriation to the PRC or deposit overseas are subject to the requirements of the foreign exchange administration authority of the State Council depending on the status of international balance of payments and the need for foreign exchange management. The foreign exchange income from current account items may be retained or sold to financial institutions operating foreign exchange settlement and sales business in accordance with the relevant national requirements. Where any foreign exchange income on capital account is to be retained or sold to a financial institution engaging in foreign exchange settlement and sales business, an approval shall be obtained from the relevant foreign exchange administrative authority, unless specified otherwise.

Provisions on the Settlement and Sale of and Payment in Foreign Exchange

Pursuant to the Provisions on the Settlement and Sale of and Payment in Foreign Exchange (結匯、售匯及付匯管理規定) promulgated by the People's Bank of China on 20 June 1996 and effective on 1 July 1996, upon approval, foreign-invested enterprises can open a foreign exchange settlement account for their current account foreign exchange income with a selected bank engaging in foreign exchange business in its place of incorporation. Foreign exchange receipts under the current account of foreign-invested

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enterprises may be retained to the extent as specified by the foreign exchange bureau. Any portion in excess of such amount shall be sold to a designated foreign exchange bank or through a foreign exchange centre.

Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment

The Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the “**Circular 59**”), which was promulgated by the SAFE, effective on 17 December 2012 and last amended on 4 May 2015, substantially amends and simplifies the foreign exchange procedure. According to the Circular 59, the opening of various foreign exchange accounts for direct 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.

Notice of the SAFE on Relevant Issues concerning Foreign Exchange Administration relating to Domestic Residents Offshore Investment and Financing and Round-trip Investment through Special Purpose Vehicles

Pursuant to the Circular 37 effective on 4 July 2014, a domestic resident (either natural person or legal person) shall apply to effect foreign exchange registration with the foreign exchange office, when he/she/it uses his/her/its enterprise assets or interests in the PRC to establish or take control of a special purpose vehicles (the “**SPV**”) aboard, and his/her/its domestic enterprises receive round-trip investments from funds raised by such SPV controlled by the domestic resident for going through the procedures for foreign exchange registration of overseas investments. A domestic resident which contributes capital with lawful asset or equity interest located outside the PRC shall apply to the foreign exchange office of its place of incorporation, or the foreign exchange office of the location of household registration for going through the registration procedures. The Circular 37 narrows the scope of registrable offshore SPV to the extent that only those offshore SPVs that are directly established or controlled by domestic residents shall be registered. In addition, the scope of the change of registration covers the change of information in relation to the domestic individual resident, and occurrence of significant events such as the capital increase or decrease and equity transfer or swap by the domestic individual resident.

Failure to comply with the registration procedures of Circular No. 37 may result in penalties and sanctions, including the imposition of restrictions on the offshore SPV’s PRC subsidiary to distribute dividends to its overseas parent.

Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment

The Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) and the Guidelines for Direct Investment-related Foreign Exchange Business (直接投資外匯業務操作指引), which were promulgated on 13

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February 2015, effective on 1 June 2015 and last amended on 30 December 2019, simplify the administrative approval procedures for foreign exchange registration under overseas direct investment and foreign exchange registration under overseas direct investment shall instead be approved and handled directly by banks. The SAFE and its branches indirectly supervise the foreign exchange registration under direct investment through banks. In case such domestic resident makes overseas investment with his/her onshore assets or interests, he/she shall proceed with the foreign exchange registration of SPV by PRC resident individuals with the banks situated at the place where the onshore corporate assets or interests are located.

Notice of the SAFE on Reforming and Regulating the Policies for the Administration of Settlement of Foreign Exchange under Capital Accounts

Pursuant to the Notice of the SAFE on Reforming and Regulating the Policies for the Administration of Settlement of Foreign Exchange under Capital Accounts (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) issued by the SAFE and effective on 9 June 2016, settlement of the foreign exchange income under capital accounts to be settled voluntarily as confirmed by the relevant policies explicitly (including foreign exchange capital amount, foreign debt amount and capital amount repatriated from overseas listing) may be carried out at banks according to the practical operating needs of the domestic entity. The amounts in RMB received from discretionary settlement shall be managed in an account of foreign exchange settlement pending for payment. The ratio of voluntary foreign exchange settlement for foreign exchange income under capital account items of domestic entities for the time being is 100%. The SAFE may adjust the above ratio from time to time according to the conditions of international balance of payments. Foreign exchange receipts under the capital account of domestic entities and its capital in RMB obtained from foreign exchange settlement shall not be directly or indirectly used for payments outside the company's scope of business.

Notice on Reforming the Administrative Approach regarding the Settlement of the Foreign Exchange Capitals of Foreign-Invested Enterprises

Pursuant to the Notice on Reforming the Administrative Approach regarding the Settlement of the Foreign Exchange Capitals of Foreign-Invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) issued by the SAFE on 30 March 2015, effective on 1 June 2015 and last amended on 30 December 2019, a discretionary settlement mechanism for foreign exchange capital funds to foreign-invested enterprises shall be implemented, so the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of discretionary foreign exchange settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily set at 100%. The SAFE may adjust the foregoing percentage as appropriate based on prevailing international balance of payments. The RMB funds obtained by a foreign-invested enterprise from its discretionary foreign exchange settlement of capital shall be included into a foreign exchange settlement account pending payment. A foreign-

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invested enterprise shall use its capital for its own operational purposes within its business scope, and may make domestic equity investment with the foreign exchange amount. The SAFE may conduct the verification and inspection on the foreign-invested enterprises, and may disqualify a foreign-invested enterprise which commits grave or malicious irregularities from discretionary settlement of foreign exchange.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Company Law

The Company Law of the PRC (中華人民共和國公司法) (the “**Company Law**”), which was promulgated by the NPCSC on 29 December 1993, effective on 1 July 1994 and last amended on 26 October 2018, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in the PRC. The Company Law stipulates that a limited company shall prepare a shareholders’ register, which shall record (i) the name and address of each shareholder; (ii) the capital contribution made by each shareholder; and (iii) the serial number of each capital contribution certificate. Shareholders recorded in the shareholders’ register may, pursuant to the shareholders’ register, claim and exercise shareholders’ rights. A company shall register the name of each shareholder and the shareholder’s capital contribution at the company registration authority shall carry out amendment of the registration for any change of the registration details. Any detail which shall be registered but fails to be amended or registered shall not be valid against any third-party.

Foreign Investment Law

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 effective on 1 January 2020, is the fundamental law for foreign investment in the PRC, will replace 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), 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) and the Law of the PRC on Wholly Foreign-owned Enterprise (中華人民共和國外資企業法) as the general law applicable for the foreign investment within the PRC.

The Foreign Investment Law defines foreign investment as any investment activity directly or indirectly carried out in the PRC by one or more foreign natural persons, enterprises or other organisations (the “**Foreign Investor(s)**”), and specifically stipulates four forms of investment activities as foreign investments, namely (i) establishment of a foreign-invested enterprise in the PRC by a Foreign Investor, either individually or collectively with any other investor; (ii) obtaining shares, equities, assets interests or any other similar rights or interests of an enterprise in the PRC by a Foreign Investor; (iii) investment in any new construction project in the PRC by a Foreign Investor, either individually or collectively with any other investor; and (iv) investment in any other manners stipulated by laws, administrative regulations or provisions prescribed by the State Council.

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The Foreign Investment Law establishes the administration system for foreign investment, which mainly consists of pre-establishment national treatment plus negative list, foreign investment information report system and security review system. The said system, together with other administrative measures stipulated under the Foreign Investment Law, constitute the frame of foreign investment administration. While the pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favourable than that be granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the state. The state will give national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval by the State Council.

The Foreign Investment Law sets forth the principles and measures to promote foreign investment in the PRC and specifically provides that the PRC legally protects foreign investors' investment, earnings and other legitimate rights and interests in the PRC.

The Foreign Investment Law further provides that foreign-invested enterprises established before the Foreign Investment Law coming into effect may adjust, among others, their organisation form and structure pursuant to the provisions of the Company Law, the Partnership Enterprise Law of the PRC (中華人民共和國合夥企業法) and related laws, and complete the change of registration pursuant to the law, or may retain their original form of organisations within five years after the Foreign Investment Law comes into effect. Specific implementing measures will be prescribed by the State Council.

Regulation on the Implementation of the Foreign Investment Law of the PRC

Pursuant to the Regulation on the Implementation of the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例) promulgated by the State Council on 26 December 2019 and effective on 1 January 2020, starting from 1 January 2025, the market supervision and administration department shall not handle any application for registration by existing foreign-invested enterprises which fail to adjust their organisational forms structures in accordance with the law and go through registration procedures for alteration. Instead, the department shall publicise the relevant information. After the adjustment of the organisational form structure of the existing foreign-invested enterprises in accordance with the law, the measures for the transfer of equity or rights and interests, the distribution of profits and the distribution of residual property agreed in the contracts between the parties to the original joint venture and the cooperation may continue to be handled in accordance with the provisions as agreed upon in the contracts.

Catalogue of Industries for Encouraging Foreign Investment (2020 Edition) and The Special Management Measures (Negative List) for the Access of Foreign Investment (2020)

Under the Catalogue of Industries for Encouraging Foreign Investment (2020 Edition) (鼓勵外商投資產業目錄(2020年版)) which was promulgated by the National Development and Reform Commission and the Ministry of Commerce on 27 December 2020 and effective on 27 January 2021, the production of green, organic vegetable produce shall fall within the category of encouraged foreign-invested industries.

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The Special Management Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施(負面清單)(2021年版)) (the “**2021 Negative List**”), which was promulgated on 27 December 2021 and effective on 1 January 2022, unified the requirements in respect of ownership and senior executives, and other special administrative measures for the access of foreign investment. Industries which are not on the 2021 Negative List shall be governed by the principle of equal treatment to both domestic and foreign investment. Since the principal business of our PRC subsidiaries is not listed on the 2021 Negative List, the same shall be governed by the principle of equal treatment.

LAWS AND REGULATIONS RELATING TO M&A AND OVERSEAS LISTING

Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors in the PRC

Pursuant to the requirements as set forth in the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors in the PRC (關於外國投資者併購境內企業的規定) promulgated by six PRC governmental and regulatory agencies (including the Ministry of Commerce and the China Securities Regulatory Commission) on 8 August 2006, effective on 8 September 2006 and last amended on 22 June 2009, where a domestic company, enterprise or natural person merges with or acquires his/her/its related domestic company in the name of an offshore company which he/she/it lawfully established or controls or a foreign investor merges with or acquires the shareholding of a domestic company, the merger or acquisition shall be subject to examination and approval by the Ministry of Commerce and shall proceed with the registration of change or registration of establishment with the SAIC or local administration of industry and commerce. SPV’s overseas listing shall be subject to the approval of the securities regulatory and management authority of the State Council.

REGULATIONS RELATING TO OVERSEAS LISTING

On 17 February 2023, the CSRC formally released 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》 (the “**Trial Overseas Listing Measures**”) and five filing guidelines, which became effective on 31 March 2023.

Pursuant to the Trial Overseas Listing Measures, 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: (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. Where an issuer submits an application for initial public offering for overseas offering or listing directly or indirectly, such issuer must file with the CSRC within three business days after such application is submitted overseas. The Trial Overseas Listing Measures also

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requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

The Trial Overseas Listing Measures provide that, an overseas offering and listing is prohibited under any of the following circumstances: if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the last three years; (iv) the domestic company intending to make the securities offering and listing suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

We had completed the filing procedures with the CSRC for the [REDACTED] on 23 October 2023.