OVERVIEW

This section sets forth a summary of the principal laws, rules and regulations of the jurisdictions which are relevant to our business.

LAWS AND REGULATIONS IN THE PRC

Regulations on Publishing

In accordance with the Administrative Regulation on Publishing (Revised in 2024) (《出版管理條例(2024修訂)》) promulgated by the State Council on December 6, 2024 and taking effect from January 20, 2025, "publishing activities", including publishing, printing or replication, importation and distribution of publications shall be subject to the Regulation.

In accordance with the Provisions for the Administration of the Publication Market (《出版物市場管理規定》) promulgated by the State Administration of Press, Publication, Radio, Film and Television and ("**SAPPRFT**") the MOFCOM on May 31, 2016 and taking effect from June 1, 2016, the state applies a licensing system to the wholesale and retail of publications according to the law. Any entity or individual that intends to engage in wholesale or retail of publications shall conduct such activities on the strength of publication business permit. Without permit, no entity or individual may engage in wholesale or retail of publications.

In accordance with the Provisions for the Regulations on the Administration of Internet Publishing Services (《網絡出版服務管理規定》) promulgated by the SAPPRFT and the Ministry of Industry and Information Technology on February 4, 2016 and taking effect from March 10, 2016, to engage in internet publishing services, an entity must be approved by publishing authorities according to the law, and obtain the Internet Publishing Service License.

In accordance with the Measures for the Administration of Electronic Publication Publishing (Revised in 2015) (《電子出版物出版管理規定(2015年修訂)》) promulgated by the General Administration of Press and Publication ("**GAPP**") on August 28, 2015 and taking effect from August 28, 2015, the production, publication, and importation of electronic publications conducted within the territory of the People's Republic of China be subject to the Measures.

Regulations on Internet and Artificial Intelligence

According to the Telecommunications Regulations of the People's Republic of China (Revised in 2016) (《中華人民共和國電信條例(2016修訂)》) promulgated by the State Council on February 6, 2016 and taking effect from February 6, 2016, the State shall implement a licensing system for telecommunications businesses in accordance with the classification of telecommunications businesses. Telecom operators shall apply to the information technology administration department of the State Council or the telecommunications administration authorities of the province, autonomous region or centrally-administered municipality for a telecommunications business permit pursuant to the provisions of these Regulations. No entity or individual shall engage in telecommunications business without obtaining a telecommunications business permit. Telecommunications businesses are categorized into basic telecommunications businesses and value-added telecommunications businesses.

According to the Administrative Measures on Internet-based Information Services (Revised in 2024) (《互聯網信息服務管理辦法(2024修訂)》) promulgated by the State Council on December 6, 2024 and taking effect from January 20, 2025, Internet-based information services are divided into services of a commercial nature and services of a non-commercial nature. Commercial internet-based information services refer to compensatory services of providing information to or creating web pages for online users through the Internet. The State shall implement a licensing system for internet-based information services of a commercial nature and a filing system for internet-based information services of a non-commercial nature.

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the Standing Committee of the National People's Congress ("**SCNPC**") on October 28, 2025 and taking effect from January 1, 2026, to construct and operate a network, or to provide services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. Network products and services shall satisfy the mandatory requirements set forth in applicable national standards.

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) promulgated by the Standing Committee of the SCNPC on June 10, 2021 and taking effect from September 1, 2021, any entity or individual shall collect data by lawful and proper means and shall not acquire data by theft or other illegal means. In the provision of services, an entity engaged in data transaction intermediary services shall require the data provider to explain the data source, examine the identities of both parties to the transaction, and keep the examination and transaction records. Where laws and administrative regulations provide that the provision of services relating to data processing is subject to administrative license, the service provider shall obtain such license in accordance with the law.

According to the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and taking effect from November 1, 2021, a personal information handler shall be responsible for its handling of personal information and take necessary measures to ensure the security of the personal information handled. A personal information handler shall, according to the purpose and method of handling personal information, types of personal information, impacts on personal rights and interests and possible security risks, take measures to ensure the compliance of personal information handling activities with provisions of laws and administrative regulations and prevent unauthorized access and divulgence, falsification and loss of personal information. A personal information handler shall regularly conduct compliance audits on its handling of personal information in accordance with laws and administrative regulations.

According to the Security Assessment Measures for Data Provision Abroad (《數據出境安全評估辦法》) and Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範資料跨境流動規定》) promulgated by the CAC on July 7, 2022 and March 22, 2024, taking effect from September 1, 2022 and March 22, 2024 respectively, a data handler shall expressly agree on the responsibilities and obligations of data security protection in the legal documents concluded with the overseas recipient. To provide data abroad under any of the following circumstances, a data handler shall declare security assessment for its provision of data abroad to the CAC through the local cyberspace administration at the provincial level: (I) where a data handler provides critical data abroad; (II) where a CIIO or a data handler processing the personal information of more than one million people provides personal information abroad; (III) where a data handler has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the current year; and (IV) other circumstances prescribed by the CAC for which declaration for security assessment for data provision abroad is required. Prior to declaring security assessment for data provision abroad, a data handler shall conduct self-assessment on the risks of data provision abroad.

According to the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) promulgated by the CAC on June 14, 2022 and taking effect from August 1, 2022, those that provide application information services within the territory of the People's Republic of China and those that engage in Internet application stores and other application distribution services shall abide by these Provisions.

According to the Administrative Provisions on Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》) promulgated by the CAC, MOIIT and the Ministry of Public Security ("**MPS**") on December 31, 2021 and taking effect from March 1, 2022. These Provisions apply to the application of algorithm recommendation technologies to provide Internet information services (hereinafter referred to as "algorithm recommendation services") within the territory of the People's Republic of China. The term "application of algorithm recommendation technologies" refers to the use of algorithmic technologies such as generation and synthesis, personalized push, sorting and selection, retrieval and filtering, scheduling decision-making, etc. to provide information to users.

According to the Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》) promulgated by the CAC, MOIIT and MPS on November 25, 2022 and taking effect from January 10, 2023. These Provisions shall apply to the application of deep synthesis technology to provide Internet-based information services (hereinafter referred to as the "deep synthesis services") within the territory of the People's Republic of China. No organization or individual may take advantage of deep synthesis services to produce, reproduce, release or disseminate information prohibited by laws and administrative regulations, or take advantage of deep synthesis services to engage in activities prohibited by laws and administrative regulations that endanger national security and interests, damage the national image, infringe upon public interests, disturb economic and social order, or infringe upon the legitimate rights and interests of others.

According to the Provisional Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) promulgated by the CAC, NDRC, the Ministry of Education, the Ministry of Science and Technology, MOIIT, MPS and State Administration of Radio and Television on July 10, 2023 and taking effect from August 15, 2023. These Measures shall apply to the use of GAI technologies to provide the public within the territory of the People's Republic of China with services of generative text, pictures, audios, videos and other content (hereinafter referred to as "GAI services" in short). A Provider shall assume its responsibility as a producer of network information contents in accordance with the law and fulfill its obligation of network information security. If personal information is involved, a Provider shall assume its responsibility as a personal information handler in accordance with the law and fulfill its obligation of protecting personal information. A Provider shall enter into a service agreement with the users registering for its GAI services (hereinafter referred to as the "Users"), specifying the rights and obligations of both parties. A Provider shall fulfil its obligations of protection for users' input information and use records in accordance with the law, and shall not collect unnecessary personal information, illegally keep the input information and use records that can identify users' identity, or illegally provide others with the input information and use records of users.

Regulations on Film and Online Audio-visual Activities

According to the Regulations on the Administration of Movies (《電影管理條例》) promulgated by the State Council on December 25, 2001 and taking effect from February 1, 2002. The State shall apply a licensing system with respect to the production, import, export, distribution, and projection of movies and public projection of films. No entity or individual shall, without permission, be engaged in the activities of production, import, distribution or projection of films, nor shall it/he import, export, distribute or project the films for which the license has not been obtained.

According to the Administrative Provisions on Internet-based Audio-visual Program Services (Revised in 2015) (《互聯網視聽節目服務管理規定(2015修訂)》) promulgated by SAPPRFT on August 28, 2015 and taking effect from August 28, 2015, any entity that intends to engage in Internet-based audio-visual program services shall, in accordance with these Provisions, obtain a Permit for Spreading Audio-Visual Programs via Information Network (hereinafter referred to as the "Permit") issued by the competent department of radio, film and television, or go through the record-filing formalities. An application for the Permit shall be filed through the competent department of radio, film and television under the people's government of the province, autonomous region or centrally-administered municipality with the competent department of radio, film and television under the State Council, and centrally-administered entities may directly file the application with the competent department of radio, film and television under the State Council.

According to the Administrative Regulatory Documents on Notice on Further Balancing Development and Security to Promote the Healthy and Prosperous Development of the Online Mini-Drama Industry (《關於進一步統籌發展和安全促進網絡微短劇行業健康繁榮發展的通知》) (the "**CBA Circular 35**") promulgated by China Broadcasting Administration ("**CBA**") on February 5, 2024 and taking effect from February 5, 2025, online mini-dramas shall be subject to a three-tier categorization for review and management. All online mini-dramas broadcast, promoted, or distributed by online audio-visual platforms, mini-programs, or traffic acquisition services shall obtain a Permit of Online Drama Distribution or complete online filing registration procedure. Prior to broadcast, the permit number or program registration filing number must be displayed in the opening credits in the specified format. Effective June 1, 2024, any online mini-drama that has not undergone review and filing shall not be distributed online.

According to the Interim Provisions for the Administration of Internet Culture (Revised in 2017) (《互聯網文化管理暫行規定(2017修訂)》) promulgated by the Ministry of Culture on December 15, 2017 and taking effect from December 15, 2017, Internet cultural activities are divided into two categories: commercial and non-commercial. The term "commercial Internet culture activities" refers to the activities of providing Internet culture products and services for the purpose of making profits by charging fees from the users accessing the Internet or by means of electronic commerce, advertisement, sponsorship, etc.

Regulations on Exportation of Goods

According to the Foreign Trade Law of the PRC (Amended in 2022) (《中華人民共和國對外貿易法(2022修正)》) promulgated by SCNPC on December 30, 2022 and taking effect from December 30, 2022, foreign traders engaging in import and export of goods or technology shall submit documents and material related to its foreign trade activities to the relevant departments in accordance with the provisions of the foreign trade department of the State Council or other relevant State Council departments in accordance with the law.

According to the Customs Law of the PRC (Amended in 2021) (《中華人民共和國海關法(2021修正)》) promulgated by the SCNPC on April 29, 2021 and taking effect from April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

According to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and taking effect from January 1, 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws.

Regulations on Leasing

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the National People's Congress of the People's Republic of China on May 28, 2020 and taking effect from January 1, 2021, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

According to the Law of the People's Republic of China on Administration of Urban Real Estate (Amended in 2019) (《中華人民共和國城市房地產管理法(2019修正)》) promulgated by the SCNPC on August 26, 2019 and taking effect from January 1, 2020, the lessor and the lessee shall enter into a written lease contract for leasing of building to stipulate the term of lease, purpose of the lease, lease price, maintenance and repair liability etc and any other rights and obligations of both parties; the lease contract shall be registered and filed with the real estate administration authorities.

According to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and taking effect from February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

Regulations on Intellectual Property

Trademark

According to the Trademark Law of the PRC (Amended in 2019) (《中華人民共和國商標法(2019修正)》) promulgated by SCNPC on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (Revised in 2014) (《中華人民共和國商標法實施條例(2014修訂)》) promulgated by the State Council on April 29, 2014 and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Copyright

China is a contracting party to several major international conventions on the protection of authors' rights and copyright. It became a member of the Berne Convention for the Protection of Literary and Artistic Works (《伯爾尼保護文學及藝術作品公約》) in October 1992, acceded to the Universal Copyright Convention (《世界版權公約》) in October 1992, and became a member of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (《與貿易有關的知識產權協定》) upon its accession to the World Trade Organization in December 2001.

According to the Copyright Law of the PRC (Amended in 2020) (《中華人民共和國著作權法(2020修正)》) promulgated by the SCNPC on November 11, 2020 and taking effect from June 1, 2021, and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

According to the Regulation on Computers Software Protection (Revised in 2013) (《計算機軟件保護條例(2013修訂)》) promulgated by the State Council on January 30, 2013 and taking effect from March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and taking effect from February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Patent

In accordance with the Patent Law of the PRC (Amended in 2020) (《中華人民共和國專利法》(2020修正)), promulgated by the SCNPC on October 17, 2020, which became effective on June 1, 2021, and its Implementation Rule, a patent is divided in to three categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain Names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT on August 24, 2017 and taking effect from November 1, 2017, which adopts "first to file" rule to allocate domain names to applicants, and provides that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

Regulations on Employment and Social Welfare

Employment

The major PRC laws and regulations that govern employment relationships are the PRC Labor Law (Amended in 2018) (《中華人民共和國勞動法(2018修正)》), the PRC Labor Contract Law (Amended in 2012) (《中華人民共和國勞動合同法(2012修正)》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which was promulgated by the SCNPC on December 28, 2012 and became effective on July 1, 2013, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers". Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions.

Social Insurance

The PRC Social Insurance Law (Amended in 2018) (《中華人民共和國社會保險法(2018修正)》) (the "**Social Insurance Law**") issued by the SCNPC on December 29, 2018 and taking effect from the same time, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance.

According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (Revised in 2019) (《社會保險費徵繳暫行條例(2019修訂)》) promulgated by the State Council on March 24, 2019 and taking effect from the same date, enterprises shall register social insurance with local Social Insurance social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (Revised in 2019) (《住房公積金管理條例(2019修訂)》) promulgated by the State Council on March 24, 2019 and taking effect from March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

Regulations on Tax

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (Amended in 2018) (《中華人民共和國企業所得稅法(2018修正)》), which was promulgated by the SCNPC on December 29, 2018 and taking effect from the same time, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (Revised in 2024) (《中華人民共和國企業所得稅法實施條例(2024修訂)》), which was promulgated by the State Council on December 6, 2024 and taking effect from January 20, 2025, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

According to the Provisional Regulations of the PRC on Value-added Tax (Revised in 2017) (《中華人民共和國增值稅暫行條例(2017修訂)》), which was promulgated by the State Council on November 19, 2017 and effective from the same time, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (Revised in 2011) (《中華人民共和國增值稅暫行條例實施細則(2011修訂)》), which was promulgated by the Ministry of Finance on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) promulgated on April 4, 2018 and taking effect on May 1, 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law of the PRC, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds has reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Civil Procedure Law of the PRC (Amended in 2023) (《中華人民共和國民事訴訟法(2023修正)》) which was promulgated by the National People's Congress on September 1, 2023 and became effective on January 1, 2024, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

According to the Individual Income Tax Law of the PRC (Amended in 2018) (《中華人民共和國個人所得稅法(2018修正)》), which was promulgated by the SCNPC on August 31, 2018 and effective from January 1, 2019 and the Implementation Provisions of the Individual Income Tax Law of the PRC (Revised in 2018) (《中華人民共和國個人所得稅法實施條例(2018修訂)》), which was promulgated by the State Council on December 18, 2018 and effective from January 1, 2019, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

According to the Enterprise Income Tax Law of PRC (Amended in 2018) (the "**EIT Law**") (《中華人民共和國企業所得税法(2018年修正)》) and the Regulation on the Implementation of the Enterprise Income Tax Law of PRC (Revised in 2024) (《中華人民共和國企業所得税法實施條例(2024年修訂)》), from January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Regulations on Foreign Investment

The Company Law of the PRC (Revised in 2023) (《中華人民共和國公司法(2023修訂)》), promulgated by the SCNPC on December 29, 2023 and taking effect from July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign invested companies shall abide by the Company Law of the PRC.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the SCNPC on March 15, 2019 and effective from January 1, 2020, the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and effective from January 1, 2020, and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated by the MOFCOM and State Administration for Market on December 30, 2019 and became effective on January 1, 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign-funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity; it is not allowed to require the submission again of any investment information that can be obtained by interdepartmental information sharing. For foreign investment enterprises investing in China and establishing an enterprise (including multi-level investment), upon completion of registration filing and submission of annual report information to the market regulatory authorities, the relevant information shall be forwarded by the market regulatory authorities to the commerce administrative authorities, and these enterprises are not required to submit separately.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 edition) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Catalogue**")), amended on October 26, 2022 and effective from January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**")), amended on September 6, 2024 and effective from November 1, 2024, both of which issued by the National Development and Reform Commission (the "**NDRC**") and the MOFCOM, and the Market Access Negative List (2025 edition) (《市場准入負面清單(2025年版)》), issued and effective on April 16, 2025, jointly published by the NDRC, the MOFCOM and the State Administration for Market Regulation. According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List and the Market Access Negative List are generally deemed "permitted" for foreign investments. According to the Negative List, cultural content and media operation services, value-added telecommunications services and information technology services remain among those prohibited or restricted industries, and any domestic enterprise engaging in the fields prohibited by the Negative List may issue shares abroad and list and trade such shares overseas, if they have obtained the consent from the relevant competent authorities of the PRC, the overseas investors shall not participate in the operation and management of the enterprise, and overseas investors' shareholding percentage shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors. According to the NDRC's further clarification through the Answers to Reporters' Questions on the Negative List (2021 version) by relevant officials of the NDRC disclosed on its official website, the current regulations require that the shareholding percentage of a single overseas investor and its affiliates shall not exceed 10% of the total number of shares of the company, and the shareholding percentage of all overseas investors and their affiliates in aggregate shall not exceed 30% of the total number of shares of the company. For companies engaged in industries prohibited by the Negative List for foreign investment and listed both domestically and overseas, the holdings of overseas investors in both domestic and overseas listed shares of the same company are combined for calculation.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective from January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

Measures for the Administration of Overseas Investments and Measures for the Administration of Enterprises' Overseas Investments

The Measures for the Administration of Overseas Investments (《境外投資管理辦法》) were issued by the MOFCOM on September 6, 2014, and implemented on October 6, 2014. The Measures for the Administration of Enterprises' Overseas Investments (《企業境外投資管理辦法》) were issued by the NDRC on December 26, 2017, and implemented on March 1, 2018.

According to these Measures, overseas investment refers to investment activities by domestic enterprises, directly or through their controlled overseas enterprises, by injecting assets, equity, providing financing, guarantees, etc., to acquire ownership, control rights, management rights and other relevant rights abroad. The scope of approval management includes sensitive projects undertaken directly or through their controlled overseas enterprises of the investing entities. The MOFCOM and the commerce departments at provincial levels are responsible for the administration and supervision of overseas investments. Depending on the different circumstances of enterprises' overseas investments, they either implement filing or approval management. Enterprises' overseas investments involving sensitive countries and regions or sensitive industries, are subject to approval management by the NDRC. Other overseas investments by enterprises are subject to filing management.

The MOFCOM and the commerce departments at provincial levels manage enterprises' overseas investments through the "Overseas Investment Management System" and issue the Certificate of Overseas Investment by Enterprises to enterprises that have obtained filing or approval.

Regulations on Foreign Exchange

Regulations relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (Revised in 2018) (《中華人民共和國外匯管理條例(2008修訂)》), most recently amended on August 5, 2008 and effective from the same time. According to the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange ("**SAFE**"), by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required when RMB is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

In October 2019, SAFE issued the Circular of Further Facilitating 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》) (the "**SAFE Circular 28**"), amended on December 4, 2023, or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital funds of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the "**SAFE Circular 8**"), issued by SAFE on April 10, 2020 and taking effect from the same time, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Regulations Relating to Stock Incentive Plans

According to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**SAFE Circular 7**"), promulgated by SAFE on February 15, 2012 and taking effect from the same time, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

Regulations on Securities and Overseas Listings

Securities Laws and Regulations

The Securities Law of the PRC (Revised in 2019) (《中華人民共和國證券法(2019修訂)》), which was promulgated by the SCNPC on December 28, 2019 and took effect from March 1, 2020, comprehensively regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on 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 "**Overseas Listing Trial Measures**") taking effect from March 31, 2023, together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which became effective from March 31, 2023. According to the Provision on Confidentiality, when a domestic enterprise provides or publicly discloses any document or material that involves state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Other Regulations — "Information Disclosure"

Information Disclosure A listed company shall establish a sound information management system in accordance with the regulatory requirements of the securities authorities, market practice, its specific circumstances, and the general information disclosure requirements for listed companies, such as the Administrative Measures for the Disclosure of Information of Listed Companies (《上市公司信息披露管理辦法》) promulgated by CSRC on January 30, 2007, which was most recently amended on March 26, 2025 and is effective from July 1, 2025.

LAWS AND REGULATIONS IN THE U.S.

Laws and Regulations Relating to Company Governance

Our U.S. operations are conducted through a California corporation with its principal office in California. Corporate matters relating to our U.S. operations are governed by the laws of the State of California, being the jurisdiction of incorporation of our U.S. entity. The California Corporations Code and applicable case law set out the rights, powers, and obligations of the corporation, its shareholders, directors, and officers.

Under California law, a director stands in a fiduciary relationship to the corporation and must perform their duties in good faith, in a manner the director believes to be in the best interests of the corporation and its shareholders, and with the care, including reasonable inquiry, that an ordinarily prudent person in a like position would use under similar circumstances. This duty requires a director not only to act affirmatively to protect the corporation, but also to refrain from actions that would harm the corporation.

In performing their duties, directors are entitled to rely in good faith on information, opinions, reports, or statements presented by officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented, by counsel, independent accountants, or other persons whose professional or expert competence the director believes to be relevant, and by committees of the board on which the director does not serve, regarding matters within the committee's designated authority, provided the director has confidence in the committee. In each case, the director must make a reasonable inquiry when circumstances indicate such inquiry is necessary, and must have no knowledge that would cause reliance on the information to be unwarranted.

California follows the "business judgment rule," under which a director who performs duties in compliance with the California Corporations Code is not liable for an alleged failure to discharge obligations as a director.

The California Corporations Code does not expressly prescribe fiduciary duties for officers. However, officers may owe duties similar to those of directors depending on the circumstances, including the level of the officer's involvement in a transaction and whether the officer participates in the management of the corporation. Unlike directors, officers are not eligible for the statutory exculpation from monetary damages that may be afforded to directors.

Intellectual Property Law

The United States regulates intellectual property through a mix of federal and state laws: certain rights — most notably copyrights and patents — are governed exclusively by federal statutes, while others — principally trademarks/service marks and trade secrets — are protected under both federal law (e.g., *the Lanham Act for trademarks, 15 U.S.C. § 1051 et seq.; the Defend Trade Secrets Act, 18 U.S.C. § 1836 et seq*.) and complementary state law.

Copyrights

A copyright is a bundle of exclusive rights in an original work of authorship fixed in a tangible medium of expression. It protects expression, not ideas; cannot be purely functional; and requires originality. U.S. copyright law is governed by the *Copyright Act of 1976, as amended, codified at 17 U.S.C. § 101 et seq*. Exclusive rights include reproduction, distribution, public performance, public display, and preparation of derivative works (*17 U.S.C. § 106*). Copyright arises automatically upon fixation — i.e., when the work is captured in a sufficiently permanent medium such that it can be perceived, reproduced, or communicated for more than transitory duration (*17 U.S.C. § 101; § 102(a)*); registration is not a condition of protection (17 U.S.C. § 408(a)), but it has material legal effects.

Copyright Registration

Copyright Registration is obtained by submitting an application, fee, and deposit to the U.S. Copyright Office (17 U.S.C. §§ 408–409). A certificate of registration is the Office's official confirmation that the claim has been registered, and it lists the effective date of registration, which is the date the Office received a complete application, fee, and deposit (17 U.S.C. § 410(a), (d)).

If issued within five years of first publication, a registration certificate constitutes prima facie evidence of the validity of the copyright and the facts stated in the certificate; the presumption is rebuttable and the evidentiary weight is within the court's discretion (17 U.S.C. § 410(c)). Registration (or a refusal) is also a prerequisite to filing an infringement action. Statutory damages and attorney's fees are available only if the work was registered before the infringement commenced or within three months after first publication, measured by the effective date of registration (17 U.S.C. § 412); otherwise, remedies are generally limited to actual damages and the infringer's profits (17 U.S.C. § 504(b)), though injunctive relief remains available (17 U.S.C. § 502).

U.S.-Based Data Privacy Regulations

The U.S. federal government and various states and governmental agencies also have adopted or are considering adopting various laws, regulations, and standards regarding the collection, use, retention, security, disclosure, transfer, and other processing of sensitive and personal information, including, without limitation and in each case as amended from time to time, the Fair Credit Reporting Act, 15 U.S.C. 1681; the Federal Trade Commission Act, 15 U.S.C. § 45; the CAN-SPAM Act, 15 U.S.C. § 7701 et seq.; the Telephone Consumer Protection Act, 47 U.S.C. § 227; the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 et seq.; the Health Insurance Portability and Accountability Act of 1996; the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-22; and the Stored Communications Act, 18 U.S.C. § 2701-12. In addition, many states have laws that protect the privacy and security of sensitive and personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, in 2018, California enacted the California Consumer Privacy Act, which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the "**CCPA**"). The CCPA creates individual privacy rights for California residents, including rights to opt out of certain processing such as the transfer of personal information for the purpose of cross contextual behavioral advertising, the processing of sensitive personal information for certain purposes, as well as "sales" of personal information, and increases the privacy and security obligations of entities handling personal information of California consumers and meeting certain thresholds. The CCPA is currently enforceable by the California Attorney General, and provides for civil penalties for violations as well as a private right of action for certain data breaches that result in the unauthorized access to, or exfiltration, theft or disclosure of certain types of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, class action data breach litigation. Though regulatory fines have been imposed, the CCPA has not been subject to significant litigation and judicial interpretation and it remains unclear how various provisions will be enforced. Additionally, the CCPA's further expansion under the California Privacy Rights Act may impact our business particularly given its establishment of a new regulatory agency dedicated to enforcing the CCPA's requirements in addition to the California Attorney General, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses, and potentially change our business practices, in an effort to comply.

In addition, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to $5,000 per violation. New legislation proposed or enacted in Illinois, Massachusetts, New Jersey, New York, Rhode Island, Washington, and other states, and a proposed right to privacy amendment to the Vermont Constitution, imposes, or has the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer, and otherwise process confidential, sensitive, and personal information, and will continue to shape the data privacy environment throughout the United States. State laws are changing rapidly and there is discussion in the U.S. Congress of a new federal data protection and privacy.

LAWS AND REGULATIONS IN SINGAPORE

Broadcasting Act 1994

The Broadcasting Act 1994 of Singapore ("**BA**") sets out regulations with respect to, among other things, the operation of broadcasting services in Singapore. The BA is administered by the Info-communications Media Development Authority ("**IMDA**").

Specifically, under section 8(1) of the BA, a person must not provide any licensable broadcasting service in or from Singapore unless: (a) it has been granted a broadcasting licence by the IMDA; or (b) the licensable broadcasting service provided falls within one of the categories specified under section 9(1) of the BA read with paragraph 3 of the Broadcasting (Class Licence) Notification ("**Class Licence Notification**") as being subject to an automatic class licence.

Under the Second Schedule to the BA, licensable broadcasting service includes video-on-demand service and computer on-line service. Under the Class Licence Notification, one of the categories of licensable broadcasting services that are subject to an automatic class licence is a computer on-line service that is provided by internet content providers (which is defined to include any corporation which provides any programme on the World Wide Web through the Internet, including any web publisher and any web server administrator).

Films Act 1981

The Films Act 1981 of Singapore ("**FA**") sets out regulations relating to, among others, the possession, importation, distribution and exhibition of films, and providing for the classification of films. The FA is administered by the IMDA.

Section 6(1) of the FA provides that a person must not, unless authorised to do so by a licence or class licence (a) import any film in the course of any business; (b) distribute any film in the course of any business; or (c) publicly exhibit any film in the course of any business. Paragraph 3(1) of the Films (Licence – Exemption) Notification 2019 provides that a person who, in the course of business, imports any film is exempt from the licensing requirement under section 6(1) of the FA.

Section 21(1) of the FA provides that a person commits an offence if the person: (i) distributes or publicly exhibits an unclassified film; or (ii) has in the person's possession a film that is an unclassified film, with the intention of distributing or publicly exhibiting the film; and the person knows or ought reasonably to have known that, or is reckless as to whether, the film is an unclassified film.

Workplace Safety and Health Act 2006

The Workplace Safety and Health Act 2006 of Singapore ("**WSHA**") regulates the safety, health and welfare of persons at work in workplaces. The WSHA is administered by the Ministry of Manpower of Singapore ("**MOM**").

The WSHA provides, among other things, that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of the employer's employees at work. For this purpose, section 12(3) of the WSHA sets out a list of measures which are necessary to ensure the safety and health of employees at work. The Workplace Safety and Health (General Provisions) Regulations also impose more specific duties on employers in relation to the safety and health of employees in the workplace.

Work Injury Compensation Act 2019

The Work Injury Compensation Act 2019 of Singapore ("**WICA**") regulates (among other things) the payment of compensation to employees for injury suffered arising out of and in the course of their employment. The WICA is administered by the MOM.

Under the WICA, where personal injury is caused to an employee by an accident arising out of and in the course of employment, the employer of the employee shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation will be computed in accordance with a fixed formula as set out in the WICA. Under the WICA, read with the Work Injury Compensation (Insurance) Regulations 2020, employers are required to maintain work injury compensation insurance for all employees, excluding certain prescribed classes of employees, in accordance with the requirements under the WICA.

Employment Act 1968

The Employment Act 1968 of Singapore ("**EA**") is Singapore's main labour law and, among other things, provides for the basic terms and conditions of employment, and the rights and responsibilities of employers. The EA is administered by the MOM.

The EA regulates certain aspects of the contract of service or employment, including the termination, dismissal, right to join, participate in or organise trade unions, change of employer, transfer of employment, public holiday and sick leave entitlements, minimum days of annual leave, payment of salary and allowable deductions.

Employment of Foreign Manpower Act 1990

The Employment of Foreign Manpower Act 1990 of Singapore ("**EFMA**") regulates the employment of foreign manpower in Singapore. The EFMA is administered by the MOM.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless the foreign employee has a valid work pass issued by the MOM, which allows the foreign employee to work for him in accordance with the conditions of the foreign employee's work pass.

In addition to the EFMA, an employer of foreign employees is also required to comply with the provisions in the EA, the Immigration Act 1959 of Singapore ("**Immigration Act**") and the regulations issued pursuant to the Immigration Act.

Central Provident Fund Act 1953

The Central Provident Fund Act 1953 of Singapore ("**CPF Act**") provides for a mandatory social security savings scheme, known as the Central Provident Fund ("**Fund**"), that is funded by contributions from employers and employees. The CPF Act is administered by the Central Provident Fund Board.

Under the CPF Act, every employer of an employee who is a Singapore citizen or permanent resident and employed in Singapore under a contract of service (save for certain specified categories of employees), shall pay to the Fund monthly in respect of such employee contributions at the appropriate rates set out in the First Schedule of the CPF Act. Under the CPF Act, an employer who has made such contribution to the Fund in respect of an employee is entitled to recover from the monthly wages of that employee the amount shown in the First Schedule of the CPF Act as so recoverable from the employee.

Companies Act 1967 and Constitution

The Companies Act 1967 of Singapore is the main legislation governing (among other things) companies incorporated in Singapore. In addition, members of a company are subject to, and bound by the provisions of the Constitution. The Constitution contains, among other things, provisions relating to the rights and privileges attached to the different classes of shares of the company (if applicable).

Singapore Taxation

The discussion in this section is not intended to be and does not constitute legal or tax advice. It is based on the current tax laws and practice in Singapore and is subject to changes in such laws, or in the interpretation thereof. Such changes may be retrospective. No assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws and practice will not occur on a retrospective basis.

Corporate Tax

Corporate taxpayers (whether Singapore tax resident or non-Singapore tax resident) are generally subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore (unless specified conditions for exemption are satisfied). Foreign income in the form of dividends, branch profits and service fee income received or deemed to be received in Singapore by a Singapore tax resident corporate taxpayer may however be exempt from Singapore tax if specified conditions are met. Section 43(1) of the Income Tax Act 1947 of Singapore ("**ITA**") provides that the prevailing corporate income tax rate is 17%. Sections 43(6B) and 43(6D) of the ITA also provide for certain partial tax exemptions.

Dividend Distributions and Withholding Tax

All Singapore tax resident companies are under the one-tier corporate taxation system of Singapore ("**One-Tier System**"). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt (one-tier) dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. Singapore currently does not impose withholding tax on dividends paid to resident or non-resident shareholders.

Goods and Services Tax

The Goods and Services Tax Act 1993 of Singapore governs goods and services tax ("**GST**"), which is a consumption tax that is levied on the import of goods into Singapore (excluding certain specified categories of imports), as well as nearly all supplies of goods and services in Singapore. The prevailing rate of GST is 9%. Certain supplies are exempt from GST, including the provision of certain financial services, and the sale and lease of residential properties. The provision of international services and the export of goods are generally zero-rated (i.e. subject to GST at a rate of 0%).

Stamp Duty

There is no stamp duty payable on the subscription and issuance of shares. Where shares evidenced in certificate form are acquired in Singapore and where a company maintains a share registry in Singapore, stamp duty is payable on the instrument of transfer of such shares at the rate of 0.2% of the consideration for, or the net asset value of, such shares, whichever is higher. The purchaser has an obligation to pay stamp duty, unless there is an agreement to the contrary.

Personal Data Protection Act 2012

The Personal Data Protection Act 2012 of Singapore ("**PDPA**") establishes the Singapore regime for the protection of personal data (i.e. data, whether true or not, about an individual who can be identified from that data, or from that data and other information accessible or likely to be accessible to the relevant organisation) and seeks to ensure that organisations comply with a baseline standard of protection for personal data of individuals.

The PDPA currently imposes ten data protection obligations on organisations collecting, using or disclosing personal data of individuals. The Personal Data Protection Commission also has broad powers to direct the organisations to comply with the provisions of the PDPA.