
REGULATORY OVERVIEW

Our business operations are subject to extensive supervision and regulation from the PRC government. This section sets out a summary of the main laws and regulations applicable to our business within the territory of the PRC.

LAWS AND REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

The Standing Committee of the National People’s Congress (“**SCNPC**”) promulgated the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**Company Law**”) on December 29, 1993, which took effect on July 1, 1994, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018; and December 29, 2023 (with the latest amendments coming into force on July 1, 2024), stipulating that enterprises established in China may adopt either the form of a limited liability company or a company limited by shares. Each company shall enjoy the status of a legal person and hold assets in its own name. Unless otherwise provided by relevant laws, the Company Law applies to foreign-invested enterprises. As a company established in China, we are subject to the relevant provisions of the Company Law regarding the establishment, operation, dissolution, and other corporate actions.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”), which was promulgated by the National People’s Congress on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. “Pre-access national treatment” means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; “negative list” refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, 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》) (the “**Implementation Regulations**”), which came into effect on January 1, 2020, further stipulates that the PRC shall, according to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”) is issued by the National Development and Reform Commission (“**NDRC**”) and the Ministry of Commerce of the PRC (“**MOFCOM**”) jointly on September 6, 2024, to replace the previous encouraging catalog and negative list thereunder. Pursuant to the FIL, the Implementation Regulations and the 2024 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 are generally deemed “permitted” for foreign investments.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (the “**Measures**”) promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism’s office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “**Telecommunications Regulations**”), promulgated on September 25, 2000 by the State Council and most recently amended on February 6, 2016, are the primary regulations governing telecommunications services. Under the Telecommunications Regulations, a telecommunications service provider is required to procure operating licences prior to the commencement of its operation. The Telecommunications Regulations categorize all telecommunication services in China as either basic telecommunications services or value-added

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telecommunications services and operators of value-added telecommunications services shall obtain value-added telecommunications business operation licenses from the Ministry of Industry and Information Technology (the “MIIT”) or its provincial branches prior to the commencement of such services.

Moreover, according to the Classification Catalogue of Telecommunications Services (2015) (電信業務分類目錄(2015年版)) (the “**Classification Catalogue**”), which was promulgated by the MIIT, in 2015, and latest amended in 2019, information services provided for users through the public communication network or the Internet by relying on the information collection, development, processing and information platform construction are value-added telecommunications services.

As a subcategory of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Service (互聯網信息服務管理辦法) (the “**Internet Measures**”), which was promulgated by the State Council in 2000 and was last amended in December 2024. Internet information services are divided into services of commercial nature and non-commercial nature. Commercial internet information services refer to for-profit services which provide information to or create web pages for online users through the Internet, and a commercial internet information service provider shall obtain a license to operate value-added telecommunications business in internet-based information services from appropriate telecommunications authorities. The content of internet information is strictly regulated in the PRC, and the Internet Measures impose monitoring obligations on service providers. The PRC government maintains authority to require correction of violations and potentially revoke the value-added telecommunications business operation license (《增值電信業務經營許可證》) for internet information service providers found in breach of content restrictions.

Furthermore, the MIIT Circular on Regulating the Use of Domain Names in Internet Information Services (工業和信息化部關於規範互聯網信息服務使用域名的通知), issued on November 27, 2017 and came into effect on January 1, 2018, requires internet information service providers to register and own the domain names they use in providing internet information services.

Foreign Investment in Valued-Added Telecommunications Business

According to the 2024 Negative List, the value-added telecommunications services (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers) fall into the “restricted” category. Foreign direct investment in telecommunications companies in Chinese Mainland are governed by the Provisions on Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定), which was promulgated by the State Council on December 11, 2001, and revised in 2008, 2016, 2022. The Provisions on Administration of Foreign-Invested Telecommunications Enterprises revised in 2022 abolishes the requirements of the main investor who must demonstrate a good track record and experience in operating a value-added telecommunication business and requires foreign-invested value-added telecommunications enterprises in Chinese Mainland to be established as Sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise. In light of our value-added telecommunication business licenses, we must also comply with the Foreign Investment Law and the 2024 Negative List, which impose restrictions on foreign investment equity ratios and other regulatory requirements, particularly given our foreign investors after the [REDACTED]. According to the above foreign investment restrictions, the total proportion of foreign investors holding the Company’s shares shall not exceed 50% after the completion of the [REDACTED].

LAWS AND REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PRIVACY PROTECTION

Laws and Regulations on Cybersecurity

The National Security Law of the PRC (《中華人民共和國國家安全法》) promulgated and becoming effective on July 1, 2015, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investments, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”) promulgated on November 7, 2016 and becoming effective on June 1, 2017, is applied to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators

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shall comply with laws and regulations and fulfil the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”) jointly revised and promulgated by the Cyberspace Administration of China (the “CAC”) and other twelve PRC regulatory authorities on December 28, 2021, became effective on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that purchase network products and services or network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the enterprise’s network products or services, or data processing activities affect or may affect national security.

Laws and Regulations on Data Security

The Data Security Law of PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) promulgated on June 10, 2021 and becoming effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

The Administration Regulations on Network Data Security (《網絡數據安全管理條例》) (the “**Data Security Regulations**”) promulgated by the State Council on September 24, 2024, which became effective on January 1, 2025, stipulates that where network data processors carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. The Data Security Regulations provide detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law. The Data Security Regulations supplement the requirements on several aspects of the Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

On March 22, 2024, the CAC issued the Provisions on the Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international trade, cross-border transport, transnational manufacturing, and marketing, which do not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification. According to our self-assessment, up to the Latest Practicable Date, we were exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification.

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Regulations on Privacy Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of the others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of the others, or illegally purchase or sell, provide, or make public personal information of the others.

On November 28, 2019, the CAC, MIIT, the Ministry of Public Security and SAMR jointly issued the Measures to identify illegal Collection and Usage of Personal Information by Apps (《App違法違規收集使用個人信息行為認定方法》), which came into effect on the same day and lists six types of illegal collection and usage of personal information, including “non-disclosure of collection and use rules”, “failure to expressly state the purpose, method and scope of collecting and using personal information”, “collection or use of personal information without the consent of users”, “collection of personal information unrelated to the services they provide in violation of the principle of necessity”, “provision of personal information without consent” and “failure to provide the function of deleting or correcting personal information in accordance with the law” or “failure to disclose the information such as ways of filing complaints and whistleblowing reports”.

The Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the “Personal Information Protection Law”) promulgated on August 20, 2021, became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors shall truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that shall be notified as required by laws and administrative regulations. Based on the processing purposes and processing methods of personal information, types of personal information, impacts on personal rights and interests, and possible security risk, etc., personal information processors shall also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law, or the processing of personal information fails to fulfil the personal information protection obligations thereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined for not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the department performing personal information protection duties at or above the provincial level shall order the personal information processor to make corrections, confiscate the illegal gains, impose a fine of less than RMB50 million or less than 5% of the previous year’s turnover, order the suspension of relevant business or suspend business for rectification and notify the relevant competent authority to revoke the relevant permits or business license; impose a fine of not less than RMB100,000 but not more than RMB1 million on the directly responsible person in charge and other directly responsible personnel, and may decide to prohibit them from serving as a director, supervisor, senior management and person in charge of personal information protection of related companies within a certain period of time.

Further, the Ninth Amendment to the Criminal Law of the PRC (中華人民共和國刑法修正案(九)), which issued by the SCNPC on August 29, 2015, and became effective on November 1, 2015, stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to take corrective measures, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users’

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information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

REGULATIONS ON ARTIFICIAL INTELLIGENCE SERVICES

On July 10, 2023, the CAC together with other relevant authorities, released the Provisional Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (“**Generative AI Services Measures**”), which came into effect on August 15, 2023 and mainly impose compliance requirements on providers of generative AI services. According to the Generative AI Services Measures, individuals or organizations that provide generative AI services of text, image, audios, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor underage users from over-relying or addicting to generative AI services. In the event where illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with public sentiment attributes or social mobilizing capability shall conduct security assessment and complete certain filings in accordance with relevant regulations. Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

On March 7, 2025, the CAC together with other relevant authorities, promulgated the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content (《人工智能生成合成內容標識辦法》), which will take effect on September 1, 2025. These measures apply to service providers that generate or distribute synthetic content using artificial intelligence technologies, including but not limited to text, images, audio, video, and virtual scenes. The measures require such providers to add explicit labels and implicit labels to the AI-generated content in accordance with laws and regulations to ensure the traceability of synthetic content, enhance public awareness, and prevent the dissemination of false or harmful information.

On November 25, 2022, the CAC, MIIT and the Ministry of Public Security promulgated the Administrative Provisions on Deep Synthesis of Internet Information Service (《互聯網信息服務深度合成管理規定》), which took effect on January 10, 2023. The “deep synthesis technology” provided in such provisions refers to the technology to generate text, graphics, radio, video, virtual scenes, among others, with the use of deep learning and virtual reality. The measures emphasize that the deep synthesis services shall not be utilized for illegal activities prohibited by laws and regulations, and specifically, the related providers of such deep synthesis services shall (i) establish and improve control systems in regard to user registration, algorithm review, technological ethic review, information public review, data security, personal information protection, anti-telecom and online fraud, emergency disposal, etc. and hold safe and controlled technical protection measures; (ii) formulate and publicize related management rules and platform pacts, improve service agreements, perform management responsibilities in accordance with laws and agreements, and inform with explicit methods the technical supporters and users of the deep synthesis of their respective information safety obligations.

REGULATIONS OF THE INDUSTRY AND INDUSTRIAL POLICIES

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the PRC and the Long-Range Objectives through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), the “**Outline of the 14th Five-Year**”, which became effective on March 12, 2021, requires focusing on the acceleration of digital development and construction of a digital China. The Outline of the 14th Five-Year states that the advantages of massive data and rich application scenarios should be fully leveraged to promote the deep integration of digital technology with the real economy, empower the transformation and upgrading of traditional industries, foster new industries, new business models, and new modes of operation, and strengthen new engines of economic growth.

The Guiding Opinions on Accelerating Scenario Innovation and Promoting High-quality Economic Development with High-level Application of Artificial Intelligence (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》), which was promulgated and implemented on July 29, 2022, points out that the new development philosophy shall be applied in

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a complete manner. All tasks shall focus on deepening the integration of AI with the real economy with a view to promoting the opening of scenario resources and enhancing scenario innovation capabilities. The scenario ecology shall be improved by strengthening the cultivation of entities, increasing application and demonstration, and innovating systems and mechanisms. Breakthroughs in AI technologies, product development, and industrial cultivation shall be accelerated, and new models and paths for AI development shall be explored, so as to promote high-quality economic development with high-level AI application.

According to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, last amended on December 6, 2024 and effective on January 20, 2025, internet information services can be classified into two categories, services of a commercial nature and services of a non-commercial nature. Commercial internet-based information services refer to compensatory services which provide information to or create web pages for online users through the internet. Non-commercial internet-based information services refer to non-compensatory services which supply, through the internet, to online users’ information which is open to and shared by the general public.

Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》), promulgated on December 31, 2021 and effective on March 1, 2022, shall apply to the provision of Internet information services by applying recommendation algorithm technology within the territory of the PRC, unless otherwise provided for by laws or administrative regulations. Applying recommendation algorithm technology means applying generation and synthesis, personalized push, selection sort, search filtering, scheduling decision, and other algorithm technologies to provide information to users.

Plan for Development of the Digital Economy During the “14th Five-Year” Period (《“十四五”數字經濟發展規劃》), issued and effective on December 12, 2021, requires fully maximizing the role of data elements by strengthening the supply of high-quality data elements, accelerating the market-based circulation of data elements and innovating the mechanism for the development and utilization of data elements. Market participants shall be supported in carrying out data collection in compliance with laws and regulations. Sharing, exchange, collaboration and opening for business applications shall be explored. The national public data resource system shall be established and improved, whereby to promote the safe and orderly opening of basic public data, cultivate data service providers and develop data transaction platforms.

According to the 14th Five-Year Plan Development Plan for the Big Data Industry (《“十四五”大數據產業發展規劃》), issued and effective on November 15, 2021, promoting high-quality development shall be regarded as the theme, the supply-side structural reform shall be regarded as the main line, the release of the value of data factors shall be regarded as the guidance, by focusing on consolidating the foundation of industrial development, joint efforts shall be made for promoting the high quality of data resources, the high level of technological innovation, and the high efficiency of infrastructure, by focusing on building a stable and efficient industrial chain, joint efforts shall be made for improving industrial supply capacity and industry empowerment effect, development and security shall be planned as a whole, an independent, controllable, open and cooperative industrial ecology shall be cultivated, and new advantages for digital economic development shall be created.

The 14th Five-Year Plan for National Information Technology (《“十四五”國家信息化規劃》), issued and effective on December 27, 2021, identifies priority actions, including improving digital literacy and skills across the population, improving the digital capabilities of enterprises, making breakthroughs in cutting-edge digital technologies, opening up digital trade and cooperation. Opinions of the CPC Central Committee and the State Council on Accelerating the Construction of a Unified National Market (《關於加快建設全國統一大市場的意見》) was issued and effective on March 25, 2022, aiming at moving faster to foster a data factor market, establish and improve basic systems and standards for data security, rights protection, cross-border transmission management, transactions and circulation, opening and sharing, and security certification, among others, and investigate data resources in depth, to enhance the development and utilization of data resources.

Plan for the Overall Layout of Building a Digital China (《數字中國建設整體佈局規劃》), issued on February 27, 2023, emphasizes comprehensively raising the comprehensiveness, systematicity, and coordination of Digital China construction; promoting the deep integration of the digital economy and the real economy.

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REGULATIONS ON OVERSEAS INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which became effective on May 1, 2009, and was last revised on September 6, 2014 and came into force on October 6, 2014, specifies that the Ministry of Commerce and the competent commercial authorities of all provinces, autonomous regions, specifically designed cities in the state plan, and Xinjiang Production and Construction Corps (hereinafter referred to as provincial commercial authorities) are responsible for the management and supervision of overseas investment, and the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions, or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which became effective on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the National Development and Reform Commission.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The Securities Law of the PRC (中華人民共和國證券法), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating 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 Offering and Listing

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

The Overseas Listing Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where 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) where the domestic company intending to make the securities offering and listing, or its controlling shareholders 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 latest three years; (iv) where the domestic company intending to make the securities offering and listing is 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; (v) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Trial Measures stipulates that upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict

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compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security etc., and duly fulfil their obligations to protect national courtesy translation security.

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》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving 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 Chinese Mainland 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 Chinese Mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996 and was last revised and came into force on August 5, 2008, applies to the foreign exchange receipts and payments or foreign exchange business activities of domestic organizations and individuals, foreign organizations and individuals in China. It specifies that China shall not restrict international current payments and transfers. The foreign exchange receipts of domestic organizations and individuals can be repatriated to China or deposited overseas; the conditions and time limit for repatriation or overseas deposit shall be specified by the foreign exchange administration authorities of the State Council according to the international balance of payment and the needs of foreign exchange administration. Domestic organizations and individuals who make overseas direct investments or engage in the overseas issuance and trading of negotiable securities and derivatives shall register in accordance with the requirements of the foreign exchange administration authority of the State Council. If the state requires prior approval by or filing with relevant competent authorities, the approval or filing procedures shall be gone through prior to the foreign exchange registration.

The Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for Administration of Foreign Exchange Settlement 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》), which became effective on June 9, 2016, specifies that in the case of foreign exchange receipts in capital accounts subject to willingness exchange settlement as specified by relevant policies (including foreign exchange capital, foreign debt funds and proceeds from overseas listing which are repatriated, etc.), exchange settlement may be made in banks according to the actual business needs of domestic organizations. The foreign exchange receipts in the domestic capital account and RMB proceeds from exchange settlement may be used to cover the current account expenditures within the business scope, as well as the expenditures under the capital account permitted by laws and regulations. Foreign exchange receipts in the domestic capital account of a domestic organization and RMB proceeds from exchange settlement shall not be: (1) directly or indirectly used to cover expenditures beyond the business scope of enterprises or prohibited by national laws and regulations; (2) directly or indirectly used for securities investment or other investments and wealth management other than capital protected products of banks, unless otherwise specified; (3) used to provide loans to non-affiliated enterprises, unless otherwise approved in the business scope; or (4) used for the construction or purchase of real estate not for own use (except where the entity is a real estate enterprise).

The Circular on Further Improving RMB Cross-Border Business Policies and Promoting Trade and Investment Facilitation (《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》), which became effective on January 5, 2018, specifies that domestic enterprises may repatriate the proceeds to China for use according to actual needs after issuing RMB bonds overseas and going through relevant procedures according to the macro-prudent administration of full-coverage cross-border financing. RMB proceeds of domestic enterprises from overseas issuance of shares may be repatriated to China for use according to actual needs.

The Circular on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》), which became effective on December 26, 2014, specifies that the State Administration of Foreign Exchange, its branches and foreign exchange

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administration departments shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and expenditures, capital exchange and other behaviours involved in the overseas listing of domestic companies. Domestic companies shall register the overseas listing within 15 working days of the completion of overseas listing and issuance; the proceeds from domestic and overseas listing of a company may be repatriated to China or deposited overseas, and the use of the proceeds shall comply with relevant contents set out in the document or corporate bond document, the circular to shareholders, resolutions of the board of directors or the general meeting and other publicly disclosed documents.

Pursuant 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 in February 2012, 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.

LAWS AND REGULATIONS ON PROPERTY LEASING

According to the PRC Civil Code, 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.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

According to the Interpretation of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020) (最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)), which took effect on January 1, 2021, if the ownership of the leased premises changes during lessee’s possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee’s realization of the mortgage right.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

The Labour Law of the PRC (《中華人民共和國勞動法》), which became effective on January 1, 1995 and was last revised and came into force on December 29, 2018, is one of main laws regulating the labour relations between enterprises and employees in China. It specifies that labourers have equal right to employment and choice of occupation, the right to remuneration for labour, to rest and vacations, to the protection of occupational safety and health, to training in vocational skills, to social insurance and welfare, to submission of labour disputes for settlement and other rights relating to labour stipulated by laws. The employing units shall establish and perfect rules and regulations in accordance with the laws so as to ensure that workers and labourers enjoy the right to work and fulfil labour obligations. A labour contract shall be concluded where a labour relationship is to be established. The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work

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with occupational hazards. China provides special protection for female staff and workers and juvenile workers. China has established a social insurance system, and set up social insurance funds so that labourers may receive assistance and compensation under such circumstances as old age, illness, work-related injury, unemployment and childbirth.

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which became effective on January 1, 2008, and was last revised on December 28, 2012 and came into force on July 1, 2013, applies to the establishment of labour relations, entry into, performance, amendment, rescission or termination of labour contracts between enterprises, individual economic organisations, private unincorporated organisations and other organisations on the one hand and workers on the other, in China. It specifies that labour contracts shall be concluded in adherence to the principles of legality, fairness, equality, voluntariness, consensus and good faith. Employing units shall establish and improve labour rules and regulations to ensure that workers enjoy the labour rights and fulfil the labour obligations. The establishment of a labour relationship requires entering into a written labour contract. The employing unit shall strictly implement the norm set for labour quota and shall not compel the workers to work overtime or do so in a disguised form. If an employing unit assigns overtime work, it shall make overtime payments to the employees in accordance with relevant provisions of China.

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which became effective on July 1, 2011 and was last revised and came into force on December 29, 2018, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which became effective on January 1, 2004, and was last revised on December 20, 2010 and came into force on January 1, 2011, the Overseas Listing Trial Measures for Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), which became effective on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Endowment Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), which became effective on July 16, 1997, the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which became effective on December 14, 1998, and the Regulations on Unemployment Insurance (《失業保險條例》), which became effective on January 22, 1999, specify that China should establish basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and other social insurance systems, so that the citizens can obtain assistance and compensation from the country and society in their old age or in case of illness, work-related injury, unemployment, childbirth, etc. Employers and individuals in China shall make social insurance contributions in accordance with laws. Enterprises in China are obliged to purchase endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance for their employees. If an employer fails to make social insurance contributions in full and on time, the organisation collecting social insurance contributions shall order it to make contributions or make up for the balance within a specified period, and shall, from the date of payment, impose a late payment penalty at the rate of 0.05% on a daily basis; if the employer fails to make payment within the specified period, the relevant administrative department shall impose a penalty of not less than one time but not more than three times the arrears.

The Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which became effective on April 3, 1999 and was last revised and came into force on March 24, 2019, specifies that enterprises in China shall apply to the housing provident fund management centre for registration of contributions to the housing provident fund, and open housing provident fund accounts for their employees. If an employer fails to make contributions or makes insufficient contributions to the housing provident fund within the specified period, the housing provident fund management centre shall order it to make contributions within a specified period; if the employer fails to make payment within the specified period, an enforcement application may be submitted to the people's court. 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.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the

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employee to return the compensation already paid for the social insurance premiums, the people’s court shall support such requests in accordance with the law. Our Directors believe that the Interpretation above would not have a material adverse effect on our business, financial condition and results of operations, on the basis of the following considerations: (i) we have not signed any agreement with our employee or our employee have not commit to relinquish their social insurance premiums; (ii) due to the preference of certain employees, we have taken all the cost and fee using third-party agencies to pay social insurance for such a few employees in certain locations where we had no branch or legal entity during the Track Record Period on time and in full; and (iii) even if we subsequently pay the social insurance premiums in accordance with the law and regulations, we reserve the right to request that employees return the compensation (such as the social insurance premiums paid through third-party agencies) in accordance with the Interpretation.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in Chinese Mainland are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the “Trademark Law”), which was promulgated by the Standing Committee on August 23, 1982 and became effective on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to 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 the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in Chinese Mainland and recognizes the China Copyright Protection Centre as the software registration organization. The China Copyright Protection Centre shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

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Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON GOVERNMENT PROCUREMENT AND TENDERING AND BIDDING

The Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》), the “PRC Bidding Law”) promulgated on 30 August 1999 and amended on 27 December 2017, and the Regulation on the Implementation of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) promulgated by the State Council on 20 December 2011, amended on 1 March 2017 and 19 March 2018 and last amended on 2 March 2019, mainly require: (1) Tendering within the territory of the PRC include public tendering and invitational tendering. A tenderer who adopts the public tendering method shall issue a tendering announcement, and a tenderer who adopts the invitational tendering method shall issue invitations for submission of bids to three or more specified legal persons or other specified organisations capable of undertaking the project subject to the tender and having a good reputation and creditworthiness; (2) The tenderer shall not restrict or reject any potential bidder on the unreasonable grounds, or discriminate against any potential bidder. The tendering documents shall not require or indicate any specific supplier or include any other contents that tend to favour or reject potential bidders; (3) The bidder shall prepare its bidding documents according to the requirements of tendering documents, and shall not collude with other bidders or the tenderer, exclude the fair competition of other bidders, as well as cause any harm to national interests, social public interests or the legitimate rights and interests of others; (4) The successful bidder shall perform its obligations under the contract and complete the awarded project, and the bidder shall not transfer the awarded project to others, or split the awarded project to transfer it to others. The successful bidder may, according to the contract or with the consent of the tenderer, subcontract part of the non-subject and non-critical work of the awarded project to others for completion. The person accepting the subcontracts shall meet the relevant qualifications and shall not subcontract it again to other persons. The successful bidder shall be responsible for the subcontracts, and the subcontractor shall bear joint and several liability for the subcontracts.

Pursuant to the PRC Bidding Law, bidding process shall be carried out when, among others, the following construction projects are involved: (i) large scale infrastructure or public utility projects and other projects relevant to public interest or public security; (ii) projects entirely or partially using state-owned funds or state-facilitated loans; and (iii) projects using loans, or financial aids from international organizations or foreign governments.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “Product Quality Law”), which was promulgated by the SCNPC on February 22, 1993 and implemented on September 1, 1993, and last revised on December 29, 2018, the law applies to all production and marketing activities within the territory of the PRC. Producers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) products shall be free from any irrational dangers threatening the safety of people and property. If there are State standards or trade standards for ensuring the health of the human body and safety of lives and property, the products shall conform to such standards; (ii) products shall have the property they are due to have, except cases in which there are explanations about the defects of the property of the products; and (iii) products shall tally with the standards prescribed or specified on the packages and with the quality specified in the instructions for use or shown in the providing samples. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of a producer or seller will be revoked, and if the violation is so serious as to have constituted a crime, the producer or seller will be prosecuted for criminal liability.

Pursuant to the PRC Civil Code, which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, where a defect of a product endangers the personal or property safety of another person, the infringed person has the right to request the manufacturer or seller of the product to bear tort liability in forms of cessation of the infringement, removal of the nuisance, elimination of the danger, or the like. Where a defective product causes damage to another person, the aggrieved party may claim compensation from the producer or seller. Where the product defect

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is caused by the producer, the seller is entitled to recover damages from such producer after making compensation. Where the product defect is caused by the fault of the seller, the producer is entitled to recover damages from the seller after making compensation.

REGULATIONS ON TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), which was promulgated by the SCNPC and was latest amended on December 29, 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), which was promulgated by the State Council and was latest amended in December 2024, 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

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例), which was promulgated by the State Council and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the Ministry of Finance and was latest amended 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. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (中華人民共和國增值稅法), which will become effective on January 1, 2026, upon which VAT Regulations shall be repealed.

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) effective in May 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 is the Company Law, and the FIL 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 have 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 (中華人民共和國民事訴訟法) which was promulgated by the National People's Congress on April 9, 1991 and most recently amended 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.

Pursuant to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法), which was most recently amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例), which was most recently amended on December 18, 2018, dividends distributed by PRC enterprises are subject to

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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.

Pursuant to the Enterprise Income Tax Law of PRC (the "EIT Law") and the Regulation on the Implementation of the Enterprise Income Tax Law of PRC, since 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.

U.S. EXPORT CONTROL LAWS AND REGULATIONS

The U.S. government imposes export controls for national security, foreign policy interest, and other various policy reasons. One of the primary U.S. export control regimes is governed by the Export Administration Regulations, 15 C.F.R. Parts 730-774 ("EAR"), which are administered and enforced by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS"). BIS is responsible for regulating the export, reexport, or transfer (in-country) of a diverse range of goods, software, and technology (collectively, "items") including most commercial items, "dual-use" items (i.e., those items having both commercial and military or proliferation applications), and less-sensitive military items.

BIS regulates the export, reexport, and in-country transfer of items that are "subject to the EAR," a term of art that includes: (i) all U.S.-origin items wherever they are located in the world; (ii) any item physically in, or moving in transit through, the United States or U.S. Foreign Trade Zone (including items of foreign origin); (iii) any foreign-made item containing more than a de minimis amount of certain controlled U.S.-origin content; and (iv) certain foreign-made items that are the "direct products" of certain controlled U.S.-origin software or technology (or are the direct product of a plant or major plant component that is itself the direct product of such controlled U.S.-origin software or technology). Generally, foreign-made items that incorporate controlled U.S.-origin content accounting for 25% or less of the value of such items are not subject to the EAR when exported, reexported, or transferred (in-country) to any country except for Cuba, Iran, North Korea, or Syria (for which the de minimis threshold is 10%), unless the controlled content is of a certain type for which there is no de minimis threshold. For purposes of the de minimis analysis, a "controlled" item is any item that would require a destination-based export license from BIS to be exported to, reexported to, or transferred (in-country) within the country at issue.

Items that are subject to the EAR may require a license from BIS prior to the export, reexport, or transfer (in-country) of the item. Whether an export license is required depends on the Export Control Classification Number ("ECCN") of the item at issue, the destination to which the item is being exported, reexported, or transferred, and the intended end use or end user of the item.

In particular, BIS maintains several restricted party lists of companies, organizations, and individuals that may be subject to additional license requirements, regardless of the classification of the item. For example, parties on the "Entity List," Supplement No. 4 to 15 C.F.R. Part 744, are generally prohibited from receiving some or all items subject to the EAR, absent an export license from BIS. License requirements for persons on the Entity List may be limited to only specific ECCNs of concern, or generally apply to all items subject to the EAR.

A party that exports, reexports, or transfers an item that is subject to the EAR is strictly liable for violations related to such activity. The EAR also provides a basis for liability for other parties to a given transaction (i.e., in addition to the exporter). Specifically, parties are prohibited from (i) causing, aiding, or abetting a violation of the EAR; (ii) soliciting or attempting a violation of the

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EAR; (iii) conspiring to bring about or engage in a violation of the EAR; (iv) misrepresenting or concealing facts to the U.S. government in connection with activities subject to the EAR; (v) acting with the intent to evade the EAR; (vi) failing to comply with recordkeeping requirements of the EAR; and (vii) acting with “knowledge” that a violation of the EAR has occurred or is about to occur. The EAR defines “knowledge” as including “positive knowledge that the circumstance exists or is substantially certain to occur,” as well as “an awareness of a high probability of its existence or future occurrence,” which is “inferred from evidence of the conscious disregard of facts known to a person and is also inferred from a person’s willful avoidance of facts.”

Effective June 5, 2020, the BIS added “Intellifusion” with aliases “Shenzhen Yuntian Lifei Technology Co., Ltd.” and “Yuntian Lifei” to the Entity List, and the listed entity (the “Listed Entity”) was subsequently designated as a Footnote 4 entity (FN4) on October 7, 2022, pursuant to Supplement No. 4 to Part 744 of the EAR.

The Entity List restrictions do not apply to non-listed entities in our Group that are legally distinct from the Listed Entities (the “Non-listed Entities”). That is, BIS has explicitly advised that “the licensing and other obligations imposed on an entity by virtue of being listed on the Entity List do not per se apply to its subsidiaries, parent companies, sister companies, or other legally distinct affiliates that are not listed on the Entity List.” However, a Non-listed Entity (or any other person) may not act as an agent, a front, or a shell company for a Listed Entity in order to facilitate transactions that would not otherwise be permissible with the Listed Entity.

The addition of the Listed Entity to the Entity List restricts its ability to purchase, acquire, or otherwise access any items subject to the EAR without a license from BIS. Specifically, absent a license from BIS, it is prohibited to export, reexport, or transfer any items subject to the EAR when the Listed Entity is a party to the transaction, including as purchaser, intermediate consignee, ultimate consignee, or end-user. That is, even if the Listed Entity is not the intended end user of the item(s) involved, the restrictions would still apply to the extent the Listed Entity is the purchaser or otherwise involved in a given transaction. License applications to the Listed Entity will be reviewed with a presumption of denial or a case-by-case policy.

The Entity List Footnote 4 Foreign Direct Product (FDP) Rule imposes stringent restrictions on transactions involving FN4 designated entities. Any reexport, export, or in-country transfer of covered items to FN4 entities requires a BIS license, with a presumption of denial for most applications. Transactions with the Listed Entity may trigger FN4 FDP if: (i) the foreign-produced item is a “direct product” of “technology” or “software” subject to the EAR and specified in certain ECCNs; or (ii) the foreign-produced item is produced by any complete plant or “major component” of a plant that is located outside the United States, when the complete plant or “major component” of a plant, whether made in the U.S. or a foreign country, itself is a “direct product” of U.S.-origin “technology” or “software” that is specified in certain ECCNs.

The Entity List restrictions applicable to the Listed Entity apply to items subject to the EAR only where such items would be imported, procured, or obtained by the Listed Entity post-designation to the Entity List. For example, if the Listed Entity obtained an item subject to the EAR prior to June 5, 2020, the Listed Entity would not be prohibited from continue access to and use of such item post-Entity List designation. However, the Listed Entity would be prohibited from obtaining additional quantities of, or updated versions of, such item as of June 5, 2020.