PRC LAWS, REGULATIONS AND POLICIES

This section summarises the principal PRC laws, regulations and policies relevant to the daily business operations currently conducted by our Company within China.

Laws and Regulations relating to Advertising Business

Pursuant to the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "**Advertising Law**") promulgated by the SCNPC on 27 October 1994, last amended and put into effect on 29 April 2021, advertisements shall be true and legitimate, advertisements with certain special contents shall be subject to review by the relevant authorities prior to publication, and advertisements shall not (i) use or covertly use the national flag, national anthem, national emblem, military flag, military anthem, military emblem of the PRC; (ii) use or covertly use the name or image of state agencies or personnel of state agencies; (iii) use wordings such as "national level", "highest level" and "best"; (iv) harm the dignity or interests of the state and divulge state secrets; (v) hinder social stability and harm public interest; (vi) endanger personal and property safety, and infringe upon personal privacy; (vii) hinder public order or violate social morality; (viii) contain obscenity, pornography, gambling, superstition, terror, violence contents; (ix) contain ethnic, racial, religious or sexual discrimination contents; (x) hinder protection of environment, natural resources or cultural heritage; and (xi) fall under any other circumstances prohibited by laws and administrative regulations. Violation of the aforesaid requirements may lead to penalties, confiscation of advertising revenues, or being ordered to stop spreading the advertisement or to publish an advertisement for correcting any misleading information. If such case is serious, the administration for market regulation may order termination of advertising operation or revoke the business licence.

Pursuant to the Administrative Measures for Online Advertising (《互聯網廣告管理辦法》) promulgated by the SAMR on 25 February 2023 and put into effect on 1 May 2023, commercial advertising activities for the direct or indirect promotion of goods or services within the territory of the PRC by making use of websites, webpages, internet applications and other internet media in the forms of texts, pictures, audios, videos or other forms, are subject to the Advertising Law and the Administrative Measures for Online Advertising. The Administrative Measures for Online Advertising specifically set out various requirements, including but not limited to: (i) internet advertisements shall be authentic and legal, express the advertisement content in a healthy way and comply with the requirements of building a socialist society with an advanced culture and ideology as well as promoting good traditional Chinese culture; (ii) an Internet advertisement shall be identifiable so that it can be clearly identified by consumers as an advertisement. Any paid search advertisement for a product or service shall be prominently indicated as an "advertisement" by the advertising publisher to distinguish it from natural search results; (iii) where an internet advertisement is published in the form of pop-up or otherwise, the advertiser and the advertisement publisher shall clearly mark a "Close" symbol to ensure that it can be closed by one click and shall not conduct in a way that will negatively affect the one-click-close function; (iv) cheating or misleading users into clicking on or browsing advertisements is prohibited; (v) the advertisers shall be responsible for the authenticity of the content of Internet advertisements; (vi) the advertising agencies and the advertisement publishers shall establish, improve and implement systems of registration, examination and archives management in respect of Internet advertising business; and (vii) where an Internet advertisement is published by means of algorithmic recommendation or otherwise, the relevant rules of the algorithmic recommendation service and the record of advertisement placement shall be included in the advertisement archives.

Laws and Regulations relating to Internet Information Services

Pursuant to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the "**Internet Measures**") promulgated by the State Council on 25 September 2000, amended on 6 December 2024 and put into effect on 20 January 2025, internet information services are classified into commercial services and non-commercial services. China implements a licensing system for commercial internet information services and a filing system for non-commercial internet information services. According to the Internet Measures, if an internet information service provider engaged in non-commercial internet information services produces, reproduces, publishes or disseminates internet content containing information prohibited by laws or administrative regulations, the PRC government may shut down its website. Internet information service providers are also required to monitor their websites, refrain from publishing or disseminating content falling within prohibited categories, and must delete such content from their websites, retain relevant records and report to the relevant government authorities.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the National People's Congress on 28 May 2020 and put into effect on 1 January 2021, internet information service providers shall bear tortious liabilities in the event they infringe upon other person's rights and interests due to providing wrong or inaccurate contents through the internet. Where an internet service provider conducts tortious acts through internet services, the infringed person has the right to request the internet service provider take necessary remedying actions such as deleting contents, screening and de-linking. Failing to take necessary remedying actions after being informed of the relevant infringement, the internet service provider will be subject to liabilities with regard to the additional damages incurred. Where an internet service provider knows that an internet user is infringing upon other persons' rights and interests through its internet service but fails to take necessary actions, it will be jointly and severally liable with the internet user.

Restrictions on Foreign Investment in the Value-Added Telecommunications Services

Pursuant to the Regulations on the Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on 11 December 2001, amended for the third time on 29 March 2022 and put into effect on 1 May 2022, the ultimate proportion of contribution by the foreign investors of a foreign-invested telecommunications enterprise engaged in value-added telecommunications services (including the radio paging business in the basic telecommunications services) shall not be more than 50%. Pursuant to 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 foreign capital share ratio in value-added telecommunications services shall not exceed 50% (except for e-commerce, domestic multi-party communications, store-and-forward services and call centres), while basic telecommunications services require sole ownership by a Chinese party.

Laws and Regulations relating to Data Security, Cybersecurity and Privacy Protection

Data Security and Outbound Transfer

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated by the SCNPC on 10 June 2021 and put into effect on 1 September 2021, organisations conducting data activities shall, in accordance with laws and regulations, establish and improve a full-process data security management system, organise and carry out data security education and training, and adopt corresponding technical and other necessary measures to ensure data security. Pursuant to the Measures on Security Assessment of Cross-Border Data Transfer (《數據出境安全評估辦法》) promulgated by the CAC on 7 July 2022 and put into effect on 1 September 2022, data processors shall apply to the CAC for a security assessment of cross-border data transfer if such transfer is conducted by a critical information infrastructure operator, or involves important data, or their cross-border data transfer activities reach certain thresholds.

On 8 December 2022, the Ministry of Industry and Information Technology of PRC (the "**MIIT**") issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**MIIT Data Security Measures**"), which came into effect on 1 January 2023. The MIIT Data Security Measures is applicable to the processing activities carried out in the territory of the PRC in respect of data in the field of industry and information technology. The MIIT Data Security Measures provides that industrial and telecommunication data processors shall implement data classification and grading, and further imposes data security obligations and responsibilities on data processors in the field of industry and information technology.

Pursuant to the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) promulgated by the CAC and put into effect on 22 March 2024, where a data processor other than a critical information infrastructure operator provides non-sensitive personal information of less than 100,000 individuals overseas accumulatively since 1 January of the current year, it may be exempted from declaring a security assessment for outbound data transfer, entering into standard contracts for the outbound transfer of personal information, or obtaining personal information protection certification.

Cybersecurity and Personal Information Protection

Pursuant to the Civil Code, the personal information of natural persons is protected by law. Any organisation or individual that needs to obtain another person's personal information shall obtain it legally and ensure information security, and must not illegally collect, use, process or transmit others' personal information, nor illegally buy, sell, provide or make public others' personal information.

The PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (the "**PIPL**") promulgated by the SCNPC on 20 August 2021 and put into effect on 1 November 2021, further emphasises the obligations and responsibilities of processors for protecting personal information, and requires the adoption of a higher level of protective measures for the processing of sensitive personal information. Pursuant to the PIPL, the processing of personal information shall be conducted based on consent of relevant individuals or otherwise permitted by laws and regulations, and before processing personal information, processors should truthfully, accurately and completely inform individuals of requisite matters in a conspicuous manner and in clear and easy-to-understand language.

Pursuant to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated by the SCNPC on 7 November 2016 and put into effect on 1 June 2017, network operators shall fulfil their obligations to safeguard security of the network when conducting business and providing services. Those who construct or operate networks or provide services through networks shall take technical and other necessary measures pursuant to 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 usability of network data. On 28 October 2025, the SCNPC further revised the Cybersecurity Law, which came into effect on 1 January 2026. The revised Cybersecurity Law increases penalties under certain circumstances and expands extraterritorial application to activities outside the PRC that endanger the cybersecurity of the PRC.

The Cyber Data Security Regulation provides detailed requirements on personal information protection, important data safety, cyber data cross-border safety management and obligations of network platform service providers.

On 29 August 2015, the SCNPC issued the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》), which became effective on 1 November 2015, and stipulates that any network service provider that fails to fulfil the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to rectify upon regulatory orders shall be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any serious consequence due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities or (iv) other serious circumstances, 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 serious circumstances. The Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵

犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on 8 May 2017, further clarifies the definitions of certain concepts and specifies certain standards for the conviction and sentencing in respect of the crimes in relation to personal information infringement.

Laws and Regulations relating to Foreign Investment

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law, which was promulgated by the SCNPC on 29 December 1993, last amended on 29 December 2023 and put into effect on 1 July 2024. Limited liability companies and stock limited companies established in the PRC are regulated by the PRC Company Law. Unless otherwise provided by foreign investment laws, foreign-invested companies are also regulated by the PRC Company Law.

The PRC Foreign Investment Law(《中華人民共和國外商投資法》) promulgated by the NPC on 15 March 2019 and put into effect on 1 January 2020, clarifies that the PRC implements the pre-entry national treatment and the negative list management system with respect to foreign investments. The pre-entry national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment not less favourable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access implemented by the PRC for foreign investment in specific fields. The PRC grants national treatment to foreign investment outside the negative list. Furthermore, the Implementation Regulations for 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**"), promulgated by the State Council on 26 December 2019 and put into effect on 1 January 2020, further stipulate that the PRC shall, based on the national economic and social development needs, formulate a catalogue of industries encouraging foreign investment, specifying specific industries, fields and regions where foreign investors are encouraged and guided to invest.

The NDRC and the MOFCOM jointly revised and issued 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 "**Negative List**") on 6 September 2024, which took effect on 1 November 2024, replacing the previous negative list. Where a domestic enterprise engaged in a business field prohibited for investment by the Negative List seeks to issue shares and list shares overseas for trading, it shall complete the examination process and obtain approval from the relevant competent authorities of the PRC. Foreign investors shall not participate in the enterprise's operation and management, and their shareholding percentage shall be subject to the relevant regulations on the administration of domestic securities investment by foreign investors.

Pursuant 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 19 December 2020 and put into effect on 18 January 2021, foreign investments that affect or may affect national security shall be subject to security review in accordance with the provisions of these Measures. For foreign investments falling within the following scope, foreign investors or relevant domestic parties shall proactively apply to the office of the Operational Mechanism for a security review prior to implementation of the investment: (1) investment in defence, defence support and related sectors that have an impairment on national defence security, as well as investment in areas surrounding military and defence 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 investee enterprise.

Regulations relating to Overseas Investment

Pursuant to Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on 6 September 2014 and put into effect on 6 October 2014, the MOFCOM and provincial-level commerce authorities shall implement a filing or approval regulatory system for overseas investment by enterprises, depending on the specific circumstances of the investment. Overseas investments by enterprises involving any sensitive countries or regions, or any sensitive industries, shall be subject to approval regulatory system, while overseas investment under other circumstances of overseas investment shall be subject to filing regulatory system.

Pursuant to the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on 26 December 2017 and put into effect on 1 March 2018, domestic enterprises in China ("**Investment Entities**") conducting overseas investments shall fulfil procedures for approval or filing of overseas investment projects, report relevant information and cooperate with supervision and inspection. The scope of approval regulatory system applies to sensitive projects carried out by Investment Entities directly or through overseas enterprises under their control. The scope of filing regulatory system applies to non-sensitive projects carried out directly by Investment Entities, i.e., non-sensitive projects involving the direct input of assets, equity or the provision of financing or guarantees by the Investment Entities. The aforementioned sensitive projects refer to projects involving sensitive countries, regions or sensitive industries. The NDRC promulgated the Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective from 1 March 2018, details the sensitive industries for overseas investment.

Pursuant to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on 13 February 2015 and put into effect on 1 June 2015, the verification and approval for foreign exchange registration of direct investment was abolished, instead the banks shall directly examine and handle foreign exchange registration of overseas direct investment, and the SAFE and its branches implement indirect supervision over the foreign exchange registration for overseas direct investment through banks.

Laws and Regulations relating to Intellectual Property

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and put into effect on 1 November 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on 3 August 2002, last amended on 29 April 2014 and put into effect on 1 May 2014, trademarks approved and registered by the Trademark Bureau are registered trademarks, and trademark registrants enjoy exclusive rights to use trademark and are protected by the law. The term of validity of a registered trademark shall be ten years, commencing from the date of registration.

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 7 September 1990, last amended on 11 November 2020 and put into effect on 1 June 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on 2 August 2002, last amended on 30 January 2013 and put into effect on 1 March 2013, Chinese citizens, legal persons or organisations without legal personality enjoy copyright over their works, whether published or not, in accordance with the law. Works refer to original intellectual achievements in the fields of literature, art and science that are capable of being presented in a certain form. A copyright holder shall enjoy a number of personal rights and property rights, including, among others, the right of publication, the right of authorship and the right of revision.

Pursuant to the Regulations on the Protection of Computer Software (《計算器軟件保護條例》) promulgated by the State Council on 20 December 2001, last amended on 30 January 2013 and put into effect on 1 March 2013, and the Measures for the Registration of Computer Software Copyright (《計算器軟件著作權登記辦法》) promulgated by the National Copyright Administration on 20 February 2002, computer software refers to computer programmes and related files. Chinese citizens, legal persons or other organisations enjoy the copyright of the software he/it has developed, whether the software is released publicly or not. Software copyright commences from the date on which the development of the software is completed. The protection period for software copyright of a legal person or other organisation shall be 50 years, ending on 31 December of the 50th year after the software's initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive protection.

Domain Name

Pursuant to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on 24 August 2017 and put into effect on 1 November 2017, the MIIT supervises and administers domain name services nationwide. No organisation or individual may interfere with the secure and stable operation of the internet domain name system.

Laws and Regulations relating to Labour and Social Insurance

Labour Law, Labour Contract Law and the Regulations on the Implementation of the Labour Contract Law of the PRC

Pursuant to the Labour Law of the PRC (《中華人民共和國勞動法》) last amended by the SCNPC on 29 December 2018, the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) last amended by the SCNPC on 28 December 2012 and put into effect on 1 July 2013, and the Regulations on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and put into effect on 18 September 2008, a labour contract shall be concluded when a labour relationship is established. Employers shall establish and improve labour rules and systems in accordance with the law to safeguard employees' labour rights and fulfilment of labour obligations. Labour contracts must be concluded in writing. These regulations also impose stricter requirements on employers concerning the conclusion of fixed-term labour contracts, the employment of temporary workers and the dismissal of employees.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last amended and put into effect by the SCNPC on 29 December 2018, the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) last amended and put into effect by the State Council on 24 March 2019, social insurance system has been established for basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Enterprises shall register social insurance with local social insurance agency and participate in social insurance. Enterprises and employees shall pay their social insurance premiums in full and in a timely manner.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was last revised and put into effect by the State Council on 24 March 2019, enterprises shall register with the housing provident fund management centre to pay housing provident funds and open housing provident fund accounts for their employees. Enterprises are required to pay housing provident funds on behalf of their employees in full and in a timely manner.

Laws and Regulations relating to Taxation

Enterprise Income Tax

Pursuant to the EIT Law promulgated by the SCNPC and last revised and put into effect on 29 December 2018, and the Regulations 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》) promulgated by the State Council, last revised on 6 December 2024 and took effect on 20 January 2025, the uniform enterprise income tax rate is

25%. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC. A uniform enterprise income tax rate of 25% is imposed on both foreign invested enterprises and domestic enterprises, but tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The Chinese government provides key support to high-tech enterprises, which are subject to a reduced enterprise income tax rate of 15%.

Pursuant to the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) promulgated by the Ministry of Science and Technology, the MOF and the SAT on 19 January 2016 and becoming effective from 1 January 2016, the qualification of an enterprise recognised as a High-tech Enterprise is valid for a period of three years from the date of issuance of the certificate regarding such qualification. After obtaining the qualification of high-tech enterprise, an enterprise may go through tax preferential procedures with the competent tax authority in accordance with the provisions of Article 4 of the Administrative Measures on Accreditation of High-tech Enterprises.

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 last revised and became effective on 19 November 2017, and the Rules for the Implementation of the Provisional Regulations of 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 last revised on 28 October 2011 and became effective on 1 November 2011, all entities and individuals that engage in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods within the territory of the PRC are taxpayers of the VAT and shall pay VAT. Unless stated otherwise, for payers who sell or import goods and provide processing, repairs and replacement services in the PRC, the tax rate shall be 17% and be, in certain specified circumstances, 11%, 6% and 0%.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated on 4 April 2018 and came into effect on 1 May 2018, the original rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated by the MOF, the State Taxation Administration and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the original rates of 16% or 10% applicable to the general VAT payers' sales activities or imports goods that are subject to VAT are adjusted to 13% or 9%, respectively.

On 25 December 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (the "**VAT Law**"), which came into effect on 1 January 2026, and the Provisional Regulations of the PRC on Value-Added Tax was repealed concurrently. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets or real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13% and be, in certain specified circumstances, 9%, 6% and 0%.

Laws and Regulations relating to Foreign Exchange

The Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) last revised by the State Council on 5 August 2008, are applicable to all activities related to the foreign exchange receipts and disbursements and transactions of domestic corporations and individuals and to the said activities of overseas corporations and individuals within the territory of the PRC.

According to the Circular of the SAFE on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on 26 December 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other actions involved in overseas listing. Domestic company shall, within 15 working days upon the end of its public offering overseas, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the submission of required materials.

According to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of 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 was promulgated by the SAFE on 9 June 2016, the settlement of foreign exchange receipts in the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts in the capital accounts of domestic institutions, such provisions shall prevail.

According to the Circular of the State Administration of Foreign Exchange on Optimising Foreign Exchange Management Service in Support of Foreign Business Development (《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》) issued by the SAFE on 10 April 2020, enterprises meeting the prescribed requirements are allowed to use income in the capital accounts as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials in detail in advance, to the extent that funds are used for true and law-compliant purposes and such enterprises comply with the in-force administrative provisions on the use of income in the capital accounts. According to the "Notice of the State Administration of Foreign Exchange on Further Deepening Reforming to Facilitate Cross-border Trade and Investment" issued by the SAFE on 4 December 2023, the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

Laws and Regulations relating to the Issuance and Listing of Securities Overseas by Domestic Enterprises

Securities Laws and Regulations

The PRC Securities Law, which was last revised by the SCNPC on 28 December 2019 and became effective on 1 March 2020, comprehensively regulates the activities of the securities market in the PRC, including the issuance and trading of securities, acquisitions of listed companies, disclosure of information, investor protection, stock exchanges, securities companies, securities registration and clearing institutions, securities service agencies, securities associations and securities regulatory authorities. The PRC Securities Law further stipulates that domestic enterprises that directly or indirectly issue securities abroad or list their securities abroad shall comply with the relevant provisions of the State Council, and that the specific provisions for subscription and trading of shares of domestic companies in foreign currencies shall be separately stipulated by the State Council. The CSRC is a securities regulatory body established by the State Council, which is responsible for supervising and managing the securities market in accordance with the law, maintaining market order and safeguarding the legal operation of the market.

Overseas Listing

On 17 February 2023, the CSRC promulgated the Trial Measures and related guidelines, which came into effect on 31 March 2023. Pursuant to the Trial Measures, where a domestic enterprise in the PRC directly or indirectly issues or lists shares overseas, it shall file a report with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas; overseas issuance and listing shall be prohibited under any of the following circumstances: where the issuance and listing is prohibited by laws, administrative regulations or the relevant provisions of the state; where the overseas issuance and listing is recognised by the relevant competent department of the State Council in accordance with the law as potentially jeopardising national security; where domestic enterprises or their controlling shareholders or de facto controllers are involved in criminal offences of corruption, bribery, misappropriation of property, embezzlement of property or disruption of the socialist market economy order within the last three years; where domestic enterprises suspected of committing crimes or major violations of laws and regulations are being investigated by relevant authorities in accordance with the law, and such investigation has not yet come to a definitive conclusion as to the relevant enterprises' culpability; where there are significant ownership disputes over the shareholdings held by controlling shareholders or shareholders directed by controlling shareholders or de facto controllers.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《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 "**Provisions on Confidentiality**"), which was jointly issued by the CSRC together with other relevant authorities on 24 February 2023 and became effective on 31 March 2023, for the activities of overseas issuance and listing of domestic enterprises, the domestic enterprises as well as securities companies and securities service agencies providing relevant services shall strictly comply with the relevant laws and regulations of the PRC and the requirements of the Provisions on Confidentiality, enhance their legal awareness of the need to protect state secrets and enhance archive management, and establish a sound system for confidentiality and archive management. Necessary measures shall be taken to fulfil the responsibility of confidentiality and archive management, and state secrets and the working secrets of state organs shall not be disclosed, or the state and public interests shall not be jeopardised. Where any domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listed entities documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with examination and approval authority for approval in accordance with the law, and submit the same to the national secrets administration department of the same level for filing. Where a domestic enterprise provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listed entities' documents or materials the disclosure of which would adversely affect national security or public interests, it shall strictly fulfil the relevant procedures in accordance with the relevant provisions of the state.

RELEVANT HONG KONG LAWS AND REGULATIONS

The following sets out a summary of certain aspects of Hong Kong laws and regulations that are material to and applicable to the business operations of the Group in Hong Kong.

Corporation Administration and Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong)

The Business Registration Ordinance requires every person or entity carrying on a business in Hong Kong to apply for and maintain a valid business registration. A business registration certificate must be obtained within one month of the commencement of business and renewed annually or every three years, depending on the term selected.

Companies Ordinance

The Companies Ordinance governs the incorporation, corporate administration and ongoing statutory compliance of companies incorporated in Hong Kong. It sets out requirements relating to, among others, the maintenance of statutory registers, appointment and resignation of directors and company secretaries, filing of annual returns, preparation and audit of financial statements and notification of changes in corporate particulars.

Taxation

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

The Inland Revenue Ordinance ("**IRO**") is the principal legislation governing taxation in Hong Kong. Under the IRO, profits tax is charged on profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from any trade, profession or business carried on in Hong Kong. The IRO also contains provisions governing, among other matters, allowable deductions, depreciation allowances, loss set-offs, filing obligations and tax assessments.

Employment-Related Legislation

Hong Kong employment laws, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) apply to employers in Hong Kong that employ staff.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("**Employment Ordinance**") regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for the payment of wages, restrictions on deductions from wages, the grant of statutory holidays and the termination of contract, among other things. Further, employees under a continuous contract are entitled to benefits such as maternity leave, sickness allowance, paid annual leave, rest days, severance and long service payment under the Employment Ordinance.

Under Section 25 of the Employment Ordinance, where a contract of employment is terminated, any sum due to the employee shall be paid to him as soon as is practicable and in any case not later than 7 days after the date of termination. Any employer who willfully and without reasonable excuse contravenes this section commits an offence and is liable to a fine of HK$350,000 and to imprisonment for 3 years. Further, pursuant to Section 25A, if any wages or any sum referred in Section 25(2)(a) (e.g. amount for payment in lieu of notice, long service payment) are not paid within 7 days from the day on which they become due, the employer shall pay interest at a specified rate on the outstanding amount of wages or sum from the date on which such wages or sum become due up to the date of actual payment. Any employer who willfully and without reasonable excuse contravenes this section commits an offence and is liable to a level 3 fine of HK$10,000.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("**ECO**") establishes a no-fault, non-contributory employee compensation system for work injuries, and lays down the rights and obligations of employees and employers respectively in respect of injuries sustained by, or death of, employees as a result of an accident arising out of and in the course of employment, or in respect of specified occupational diseases suffered by the employees.

If an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer shall be generally liable to pay compensation in accordance with the ECO. Pursuant to Section 5(4), an accident is deemed to arise out of and in the course of employment even if the employee was at the time when the accident happened acting in contravention of any statutory or other regulation applicable to his employment, or of any orders given by or on behalf of his employer, or acting without instructions from his employer, if such act was done by the employee for the purposes of and in connection with his employer's trade or business. Nevertheless, pursuant to Section 5(3), where it is proved that the injury to an employee is attributable to the serious and willful misconduct of the employee, or the injury is deliberately aggravated by the employee, any compensation claimed in respect of that injury shall be disallowed.

Pursuant to Section 40 of the ECO, an employer is not allowed to employ any employee in any employment unless there is in force in relation to such employee a policy of insurance issued by an insurer for an amount not less than the specified amount. At present, the minimum insurance amount is HK$100 million per event where the number of employees in relation to whom the policy is in force does not exceed 200, while the minimum insurance amount is HK$200 million per event where the number of employees in relation to whom the policy is in force exceeds 200. An employer who fails to comply commits an offence and is liable on conviction upon indictment to a level 6 fine of HK$100,000 and to imprisonment of 2 years.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) provides for the establishment and regulation of non-governmental mandatory provident fund schemes, enabling for members of the workforce to accumulate financial benefits for retirement.

Unless otherwise exempted, employers are required to arrange their employees who are aged between 18 and 64 and employed for not less than 60 days to be enrolled as a member of a mandatory provident fund scheme ("**MPF Scheme**"). Employers and employees are both required to contribute 5% of the employee's monthly relevant income as mandatory contribution to the MPF Scheme, subject to the minimum and maximum level of relevant income for contribution purpose, which are currently HK$7,100 per month and HK$30,000 per month respectively. An employer who without reasonable excuse fails to enrol his employees in a MPF Scheme commits an offence and is liable on conviction to a fine of HK$350,000 and to imprisonment for 3 years, while an employer who without reasonable excuse fails to comply with the contribution requirement is liable to a fine of HK$450,000 and to imprisonment for 4 years.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("**MWO**") provides that an employee is entitled to be paid wages not less than the minimum wage in respect of any wage period. The prescribed minimum hourly wage rate at present is HK$42.10 per hour, effective from 1 May 2025. Pursuant to Section 15, a provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

The MWO applies to every employee being engaged under a contract of employment to which the Employment Ordinance applies, except those who are employed as a domestic worker in, or in connection with, a household and who dwells in that household free of charge, a student intern, or a work experience student during a period of exempt student employment.

Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("**PDPO**") aims to safeguard the privacy of individuals in relation to personal data. Section 2 of the PDPO defines "personal data" as any data (i) relating directly or indirectly to a living individual; (ii) from which it is practicable for the identity of the individual to be directly or indirectly ascertained; and (iii) in a form in which access to or processing of the data is practicable. The PDPO regulates the conduct of a data user, i.e. person who, either alone or jointly or in common with other persons, controls the collection, holding, processing or use of the personal data.

Section 38 of the PDPO empowers the Privacy Commissioner for Personal Data to initiate an investigation against a data user if a complaint is received, or if there is reasonable ground to believe that the data user has done an act or practice or engaged in an act or practice in relation to personal data that may contravene the PDPO. The Commissioner may, under Section 50, issue an enforcement notice directing the data user to remedy the contravention and/or take steps to prevent its recurrence. A data user who fails to comply with an enforcement notice commits an offence and is liable, on first conviction, to a level 5 fine of HK$50,000 and imprisonment for 2 years.

Intellectual Property

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) ("**TMO**") governs the registration, use and protection of registered trade marks in Hong Kong. Trade mark protection in Hong Kong is territorial in nature, therefore, trade marks registered in other countries or regions do not automatically enjoy protection in Hong Kong. In order to obtain protection as registered trade marks in Hong Kong, trade marks must be registered under TMO and the Trade Marks Rules (Chapter 559A of the Laws of Hong Kong).

According to Section 10 of the TMO, a registered trade mark is a property right obtained by registration under the ordinance, and the owner of a registered trade mark has the rights and is entitled to the remedies provided by the ordinance. Section 14 further provides that the owner of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in Hong Kong without his consent.

Conducts which amount to infringement of a registered trade mark are set out in Section 18 of TMO, which include, *inter alia*, (i) the use, in the course of trade or business, of a sign identical to the registered trade mark in relation to goods or services to those for which it is registered; (ii) the use, in the course of trade or business, of a sign identical to the trade mark in relation to goods or services which are similar to those for which it is registered; and the use of the sign in relation to such goods or services is likely to cause confusion on the part of the public.

Pursuant to Section 22 of TMO, the registered owner of a trade mark is entitled to commence infringement proceedings once any infringement by third parties occurs, and is entitled to seek remedies including damages, injunctions, taking of accounts or such other relief as is available in respect of infringement of any other property right. The trade mark owner may also apply to the court for an order for delivery up and an order for disposal pursuant to Sections 23 and 25 of TMO.

Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)

Section 30 of the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) ("**Copyright Ordinance**") provides that the copyright in a work is infringed if a person, without the licence of the copyright owner, imports into or exports from Hong Kong, otherwise than for his private or domestic use, a copy of the work which is, and which he knows or has reason to believe to be, an infringing copy of the work.

Further, Section 31 of the Copyright Ordinance provides that the copyright in a work is infringed by a person who, without the licence of the copyright owner:

(i) possesses for the purpose of or in the course of any trade or business;
(ii) sells or lets for hire, or offers or exposes for sale or hire;
(iii) exhibits in public or distributes for the purpose of or in the course of any trade or business; or
(iv) distributes (otherwise than for the purpose of or in the course of any trade or business) to such an extent as to affect prejudicially the owner of the copyright,

a copy of the work which is, and which he knows or has reason to believe to be, an infringing copy of the work.

Under Section 35(2) of the Copyright Ordinance, a copy of a work is regarded as an infringing copy if its making constituted an infringement of the copyright of the work in question. However, Section 35(4) provides that, for the purpose of the criminal provisions (Sections 118 to 133), an "infringing copy" does not include a copy of a work that (a) was lawfully made in the country, territory or area where it was made; (b) has been or is proposed to be imported into Hong Kong any time after the expiration of 15 months beginning on the first day of publication of the work in Hong Kong or elsewhere; and (c) its making in Hong Kong would have constituted an infringement of the copyright in the work in question, or a breach of an exclusive licence agreement relating to that work.

Advertising, Consumer Protection and Competition

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong)

The Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) ("**TDO**") seeks to prohibit false trade description, misleading, false or incomplete information, false marks and misstatements in relation to goods and services supplied in the course of trade. Under Section 2 of the TDO, the definition of trade description is broad and includes, *inter alia*, references to quantity, method of manufacture, composition, fitness for purpose, availability, compliance with a standard specified or recognised by any person, price, approval by any person, a person by whom they have been acquired, the goods being of same kind as goods supplied to a person, place or date of manufacture, etc. Section 2 further provides that a trade description which is false to a material degree, or which, though not strictly false, is misleading such that it is likely to be taken as a materially false description, will be regarded as a false trade description.

Section 7 of TDO makes it an offence for any person who, in the course of any trade or business, applies a false trade description to any goods or supplies or offer to supply any goods to which a false description is applied. Section 7A extends this prohibition to services, making it an offence for a trader to apply a false trade description to a service supplied or offered to a consumer, or to supply or offer such a service. In addition, Section 12 prohibits the import or export of goods to which a false trade description or a forged trade mark has been applied.

Sections 13E, 13F, 13G, 13H and 13I of TDO provide that a trader commits an offence if the trader engages, in relation to a consumer, in a commercial practice that is a misleading omission, or is aggressive, or constitutes bait advertising, or constitutes a bait and switch, or wrongly accepting payment for a product.

Any person who commits an offence under Sections 7, 7A, 13E, 13F, 13G, 13H or 13I shall be liable, on conviction on indictment, to a fine of HK$500,000 and to imprisonment for 5 years, and on summary conviction, to a level 6 fine of HK$100,000 and imprisonment for 2 years. However, Sections 30L and 30M empower an officer authorised by the Commissioner of Customs and Excise, with the written consent of the Secretary for Justice, to accept a written undertaking from a business or individual not to continue, repeat or engage in conduct constituting an offence under the TDO. Upon acceptance of such an undertaking, neither the Commissioner of Customs and Excise nor the authorised officer may commence or continue an investigation or proceedings in respect of the matter to which the said undertaking relates.

SINGAPORE LAWS AND REGULATIONS GOVERNING OUR BUSINESS IN SINGAPORE

Personal Data Protection Act 2012 ("PDPA")

The PDPA governs the collection, use and disclosure of the personal data of individuals (being data, whether true or not, about an individual, who can be identified from that data or other accessible information), and is administered and enforced by the regulator, the Personal Data Protection Commission ("**PDPC**"). The PDPA sets out data protection obligations which all organisations are required to comply with in undertaking activities relating to the collection, use or disclosure of personal data and to provide individuals with the right to access and correct their own personal data.

Organisations have mandatory obligations to assess data breaches they suffer, and to notify the PDPC and where applicable, the relevant individuals where the data breach is (or is likely to be) of a significant scale or resulting in (or is likely to result in) significant harm to individuals. Other obligations include accountability, protection, retention and requirements around the overseas transfers of personal data.

Organisations are required to, among other things, (i) obtain consent from individuals and inform them of the applicable purposes before collecting, using or disclosing their personal data; and (ii) put in place reasonable measures to (a) protect the personal data in their possession or control from unauthorised access, loss or damage, and (b) prevent the loss of any storage medium or device on which personal data is stored. In the event of a data breach involving any personal data in an organisation's possession or control, the PDPA requires the organisation to reasonably and expeditiously assess whether the data breach is notifiable and notify the PDPC and, unless exceptions apply, the affected individuals of the data breach, if the data breach is assessed to be one that (a) is likely to result in significant harm or impact to the individuals to whom the information relates, or (b) is, or is likely to be, of a significant scale.

Non-compliance with the PDPA may attract financial penalties or even criminal liability. The PDPC has broad powers to give any such directions as it thinks fit to ensure compliance, which include requiring an organisation to pay a financial penalty. From 1 October 2022, for organisations whose annual turnover in Singapore exceeds S$10 million, the maximum financial penalty that the PDPC may impose is 10% of the annual turnover in Singapore of that organisation or S$1 million, whichever is higher.

Employment Act 1968 of Singapore

The Employment Act 1968 of Singapore ("**Employment Act**") is Singapore's main labour law. It provides for the basic terms and conditions at work for employees covered by the Employment Act. The term "employee" is defined in the Employment Act to mean a person who has entered into or works under a contract of service with an employer and includes a workman.

A workman is defined under the Employment Act means (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he or she is engaged in manual labour, including any artisan or apprentice, but excluding any seafarer or domestic worker; (b) any person, other than clerical staff, employed in the operation or maintenance of mechanically-propelled vehicles used for the transport of passengers for hire or for commercial purposes; (c) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his or her work; (d) any person specified in First Schedule of the Employment Act (i.e. cleaners, construction workers, labourers, machine operators and assemblers, metal and machinery workers, train, bus, lorry and van drivers, train and bus operators and all workmen employed on piece rates in the employer's premises); or (e) any person whom the Minister may, by notification in the Gazette, declare to be a workman for the purpose of Employment Act. The definition of "employee" under the Employment Act also does not extend to include any seafarer, domestic workers and any person belonging to any other class of persons whom the Minister may, by notification in the Gazette, declare not to be employees for the purposes of Employment Act.

In accordance to section 112 of Employment Act, any person who is guilty of any breach or any offence under the Employment Act for which no penalty is otherwise provided shall be liable on conviction to a fine not exceeding S$5,000 or to imprisonment for a term not exceeding 6 months or to both, and for a subsequent offence under the same section to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Companies Act 1967 of Singapore

The Companies Act 1967 of Singapore ("**Companies Act of Singapore**") generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (including issuances of new shares (including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders' rights, accounts, arrangements, reconstructions and amalgamations, winding up and dissolution.

A person who, (a) does that which under the Companies Act of Singapore the person is forbidden to do; (b) does not do that which under the Companies Act of Singapore the person is required or directed to do; or (c) otherwise contravenes or fails to comply with any provision of the Companies Act of Singapore, shall be guilty of an offence. Under section 407(2) of the Companies Act of Singapore, a person who is guilty of an offence under the Companies Act of Singapore shall be liable on conviction to a penalty or punishment not exceeding the penalty or punishment expressly mentioned as the penalty or punishment for the offence, or if a penalty or punishment is not so mentioned, to a fine not exceeding S$1,000.

Central Provident Fund Act 1953 of Singapore

The Central Provident Fund Act 1953 of Singapore ("**CPF Act**") governs the contributions made by employers and employees into the central provident fund ("**CPF**"). The CPF Act is administered by the Central Provident Fund Board of Singapore. Section 7(1) of the CPF Act provides that subject to Section 69 of the CPF Act and any regulations made under Section 77 of the CPF Act, every employer of an employee shall pay to the CPF monthly in respect of each employee contributions at the appropriate rates set out in the First Schedule of the CPF Act.

CPF contributions are not applicable for foreigners who hold employment passes, S passes or work permits. CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, amongst others, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution.

Section 61(1) of the CPF Act provides that except as otherwise provided in Section 61(2) of the CPF Act, any person convicted of an offence under the CPF Act for which no penalty is provided shall be liable on conviction:

(a) to a fine not exceeding S$5,000 or to imprisonment for a term not exceeding six (6) months or to both; and
(b) if that person is a repeat offender in relation to the same offence, to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Section 61(2) of the CPF Act provides that where any person:

(a) is guilty of an offence under Section 7(5) or 58(b) of the CPF Act; or
(b) being a director, manager or secretary or any other officer of a body corporate, is guilty of an offence under Section 60 by virtue of the fact that an offence under Section 7(3) or (5) or 58(b) of the CPF Act has been committed by that body corporate and is found to have been committed with the consent or connivance of or to be attributable to any act or default on the part of that person, that person shall be liable on conviction:
    (i) to a fine of not less than S$1,000 and not more than S$5,000 or to imprisonment for a term not exceeding six (6) months or to both; and
    (ii) if that person is a repeat offender in relation to the same offence, to a fine of not less than S$2,000 and not more than S$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Exchange Control and Repatriation of Capital and Remittance of Profit

There are no foreign exchange control restrictions imposed under Singapore laws and there are no exchange control formalities or approvals required for all forms of payments or capital transfers into or out of Singapore. Powerengine Pte. Limited is not restricted in their ability to repatriate profits to our Group.

The return of capital proceeds by Powerengine Pte. Limited to our Group should not be subject to Singapore income tax as Singapore does not impose tax on capital proceeds/capital gains.

Pursuant to the provisions of the Companies Act of Singapore, capital may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with the provisions of the Companies Act of Singapore and the company's constitution (or memorandum and articles of association). There are no restrictions on payment of capital from a capital reduction exercise to foreign shareholders who are not subject to any financial sanctions or other restrictions imposed by the Monetary Authority of Singapore or other regulatory authorities.

A company may, if so authorised by its constitution (or memorandum and articles of association) and subject to the requirements imposed by the Companies Act 1967 of Singapore, buy back its own shares. Similarly, there are no restrictions on payment of the purchase price to foreign shareholders in respect of such purchase.

Corporate Tax in Singapore

The prevailing corporate tax rate in Singapore is 17%, with partial tax exemption for normal chargeable income of up to S$200,000. With effect from the Year of Assessment ("**YA**") 2020, 75% of up to the first S$10,000, and 50% of up to the next S$190,000 of a company's chargeable income (otherwise subject to normal taxation) is exempt from corporate tax. The remaining chargeable income that exceeds S$200,000 will be fully taxable at the prevailing corporate tax rate. In addition, new start-up companies will, subject to certain conditions and exceptions, be eligible for 75% exemption on the first S$100,000 of normal chargeable income and a further 50% exemption on the next S$100,000 of normal chargeable income, for each of the company's first three consecutive years of assessment.

For YA 2025, corporate taxpayers are entitled to corporate income tax rebates of 50% of the corporate tax payable (which is capped at S$40,000 for YA 2025 less CIT Rebate Cash Grant of $2,000 where applicable.).

For YA 2026, corporate taxpayers are entitled to corporate income tax rebates of 40% of the corporate tax payable (which is capped at S$30,000 for YA 2026 less CIT Rebate Cash Grant of $1,500 where applicable.).

Goods and Services Tax in Singapore

Goods and Services Tax ("**GST**") in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 9%.

Dividend Distributions

Singapore adopts the one-tier corporate tax systems, the tax paid by a Singapore tax resident company is a final tax (except co-operatives) and after-tax profits of the Singapore tax resident company can be distributed to its shareholders as tax-exempt dividends. Such dividends are exempt in the hands of all shareholders, regardless of the tax residency status of the shareholders. Singapore does not impose taxes on capital gains. There is no Singapore withholding tax on dividends paid to resident and non-resident shareholders.

U.S. REGULATORY OVERVIEW

The following summarises certain laws and regulations in the U.S. relating to privacy and data protection.

The United States does not have a single, comprehensive federal privacy statute. In the United States, various federal regulators, including governmental agencies like the Federal Trade Commission, and states and state regulators, have adopted, or are considering adopting, laws and regulations concerning personal information and data security. This patchwork of legislation and regulation has given, and will likely continue to give, rise to conflicting or differing legal and regulatory obligations with respect to personal privacy rights.

The Federal Trade Commission Act

While the United States lacks a comprehensive data security law, the Federal Trade Commission ("**FTC**") fills in gaps between industry-specific laws and rules with its general authority under Section 5 of the Federal Trade Commission Act (15 U.S.C. §§ 41–58) (the "**FTC Act**"), which is a primary federal consumer protection statute. Section 5 of the FTC Act gives the FTC broad authority to investigate "unfair and deceptive acts and practices in or affecting commerce."

The FTC increasingly uses this broad authority aggressively in the privacy and data security contexts, initiating investigations pertaining to a wide variety of "unfair" or "deceptive" practices. In particular, the FTC has brought a number of enforcement actions and cases alleging that website operators engaged in deceptive acts in failing to adhere to their stated policies and practices. In addition to its general Section 5 authority, the FTC enforces numerous sector-specific privacy and data security statutes, including the Children's Online Privacy Protection Act, the Fair Credit Reporting Act (including the Disposal Rule), the Gramm-Leach-Bliley Act Safeguards Rule and the CAN-SPAM Act of 2003, among others.

The Children's Online Privacy Protection Act

The Children's Online Privacy Protection Act ("**COPPA**"), enacted in 1998 and codified at 15 U.S.C. §§ 6501–6506, imposes requirements on operators of websites or online services that are (i) directed to children under 13 years of age, or (ii) operated by any person who has actual knowledge that it is collecting personal information from children under 13. COPPA is enforced by the FTC, which implements it through the COPPA Rule, codified at 16 C.F.R. Part 312 ("**COPPA Rule**").

Under COPPA and the COPPA Rule, covered operators must: (i) post a clear and comprehensive privacy policy; (ii) provide direct notice to parents and obtain verifiable parental consent ("**VPC**") before collecting, using, or disclosing personal information from children; (iii) give parents the ability to review or delete their child's personal information; (iv) not condition a child's participation in a game or online service on disclosure of more personal information than is reasonably necessary; and (v) maintain reasonable data security procedures.

On 16 January 2025, the FTC unanimously adopted final amendments to the COPPA Rule. The amendments took effect on 23 June 2025, and covered operators have until 22 April 2026 to come into compliance with the amended rule. Key changes directly affecting advertising technology companies include: (i) a requirement for separate verifiable parental consent before disclosing children's personal information to third parties for targeted advertising, meaning behavioural advertising directed at children must be off by default pending active parental opt-in; (ii) an expanded definition of "personal information" to include biometric identifiers; and (iii) explicit data retention limits prohibiting the indefinite retention of children's data. The FTC has also stated that a platform or app that uses a third-party SDK is responsible for ensuring COPPA compliance in connection with that SDK.

Communications Decency Act

Section 230 of the Communications Decency Act ("**CDA**"), codified at 47 U.S.C. § 230, provides that "no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider." This provision grants broad immunity to online intermediaries, including internet service providers, social media, online marketplaces and other interactive computer services, from civil liability for content created by third parties. Section 230 immunity has historically provided a critical legal foundation for the operation of digital advertising markets, enabling publishers and platforms to host and monetise third-party content without assuming strict publisher liability for that content. The immunity is subject to exceptions, including for federal criminal law, intellectual property claims and certain sex trafficking content.

However, there have been a number of recent legislative proposals in the United States, at both the federal and state level, that could impose new obligations in areas such as privacy and liability for copyright infringement by third parties such as various Congressional efforts to restrict the scope of the protections available to online platforms under Section 230 of the CDA and current protections from liability for third-party content in the United States could decrease or change. The U.S. government, including the FTC and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning user behaviour on the Internet, including regulation aimed at restricting certain online tracking and targeted advertising practices.

California Consumer Privacy Act/California Privacy Rights Act

The State of California has enacted comprehensive consumer privacy law in the United States. The California Consumer Privacy Act ("**CCPA**") was enacted in 2018 and became effective and enforceable in 2020. The CCPA was subsequently amended by the California Privacy Rights Act ("**CPRA**"), with the CPRA's additional requirements becoming effective and enforceable from 1 January 2023 (references in this document to the "CCPA" refer to the statute as amended by the CPRA unless otherwise indicated). The California Privacy Protection Agency ("**CPPA**") was established by the CPRA as a dedicated enforcement agency with rulemaking authority, and conducts enforcement activities alongside the California Attorney General.

The CCPA applies to for-profit businesses that collect personal information about California residents and that satisfy one or more of the following thresholds: (i) have annual gross revenues in excess of US$25 million; (ii) annually buy, sell, or share the personal information of 100,000 or more California residents or households; or (iii) derive 50% or more of annual revenues from selling or sharing consumers' personal information. The CCPA grants California residents broad rights in respect of their personal information, including, the right to know what personal information is collected, used, shared, or sold; the right to delete personal information held by a business and its service providers; the right to correct inaccurate personal information; the right to opt out of the sale or sharing of personal information; the right to limit the use and disclosure of sensitive personal information; and the right to data portability.

California Online Privacy Protection Act

The California Online Privacy Protection Act ("**CalOPPA**") requires any operator of a commercial website or online service that collects personally identifiable information from California consumers to conspicuously post a privacy policy. The privacy policy must identify the categories of personally identifiable information collected, the categories of third parties with whom the information may be shared, and whether the operator honours "Do Not Track" signals from web browsers. Failure to post a compliant privacy policy, or to adhere to a posted privacy policy, constitutes an unlawful business practice under California law.

Texas Data Privacy and Security Act

The Texas Data Privacy and Security Act ("**TDPSA**") (Tex. Bus. & Com. Code, Ch. 541), was enacted in 2023 and is effective 1 July 2024. The TDPSA contains no revenue or data-volume threshold: it applies to any entity that conducts business in Texas or produces a product or service consumed by Texas residents and that processes or sells personal data, subject only to an exemption for small businesses as defined by the U.S. Small Business Administration.

The TDPSA grants Texas consumers rights to access, correct, delete and obtain a portable copy of their personal data and rights to opt out of the processing of personal data for targeted advertising, sale of personal data and profiling. Controllers must recognise universal opt-out signals (including the Global Privacy Control) as at 1 January 2025. Consent is required before processing sensitive data, which includes precise geolocation data. The Texas Attorney General has exclusive enforcement authority; prior to commencing an action, the Attorney General must issue a notice of violation and permit a 30-day cure period. The TDPSA does not create a private right of action.