Our business operations are based in the PRC and are subject to extensive supervision and regulation by the PRC government. This section summarizes the major laws, rules and regulations which may impact key aspects of our business.

REGULATIONS ON CORPORATION

The establishment, operation, and management of companies in China are mainly governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "Company Law"), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "SCNPC") on December 29, 1993 and came into effect on July 1, 1994. The Company Law was subsequently amended and revised in 1999, 2004, 2005, 2013, 2018 and 2023. The latest amended Company Law came into effect on July 1, 2024. The Company Law generally governs two types of companies – limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company and a joint stock limited company is limited to the amount of registered capital they committed to contribute. The Company Law also applies to foreign investment companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail.

General

A "joint stock limited company" refers to an enterprise legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Transfer of Shares

Shares held by shareholders may be transferred legally. Under the PRC Company Law, a shareholder should effect a transfer of his/her shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Shares may be transferred by shareholders through endorsement or in any other manner stipulated by the laws or administrative regulations. Following the transfer, the company shall record the names and domiciles of the transferees into its register of shareholders. No changes to the register of shareholders shall be made within twenty days prior to convening a shareholders' meeting or within five days prior to the base date on which the company decides to distribute dividends, unless otherwise stipulated by laws, administrative regulation or the securities regulatory authority of the State Council on the changes to the register of shareholders for listed companies.

Under the PRC Company Law, shares of the company issued prior to the public issuance of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company the shares they hold and any changes in their shareholdings. During the term of office as determined at the time of their appointment, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the National People's Congress of the PRC ("NPC") approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), and on December 26, 2019, the State Council promulgated 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》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020 and replaced three previous major laws on foreign investments in China, namely the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People's Republic of China on Sino-foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and the Law of the People's Republic of China on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》), together with their respective implementing rules. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules.

The Foreign Investment Law and the Implementation Regulation apply the administrative system of pre-establishment national treatment and negative list to foreign investment, and clarify the state shall develop a catalogue of industries for encouraging foreign investment to specify the industries, fields, and regions where foreign investors are encouraged and directed to invest. Investment activities in the PRC of foreign investors were principally governed by the Catalogue of Industries for Guiding Foreign Investment (《外商投資產業指導目錄》), which was promulgated by the Ministry of Commerce of the People's Republic of China (the "MOFCOM") and the National Development and Reform Commission (the "NDRC") and was replaced by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單) (2024年版)》), or the 2024 Negative List, and Catalogue of Industries for Encouraging Foreign Investment 2025 version (《鼓勵外商投資產業目錄(2025年版)》), or the Encouraging List. The 2024 Negative List, which came into effect on November 1, 2024, sets out special administrative measures in respect of the access of foreign investment and the Encouraging List, which came into effect on February 1, 2026, sets out the encouraged industries for foreign investment. The negative list is subject to review and update by the PRC government from time to time, and the fields that were not included in the negative list shall be regulated according to the principle of equal treatment of domestic and foreign investments.

REGULATIONS ON FINANCE AND TAXATION MANAGEMENT

Electronic invoice services

According to the Administrative Measures of the PRC on Invoices (中華人民共和國發票管理辦法), which was promulgated by the State Council on December 23, 1993 and amended on December 20, 2010, March 2, 2019 and July 20, 2023, invoices shall mean proof of receipt and payment issued and collected for purchase and sale of commodities, provision or acceptance of services and other business activities. In order to further promote the application and promotion of electronic invoices and support the development of China's digital economy, on February 6, 2023, the National Archives Administration of China, the MOF, the Ministry of Commerce (the "MOC") and the SAT promulgated the Guide to the Whole-Process Electronic Management of Electronic Invoices (電子發票全流程電子化管理指南). According to the Guide to Whole-Process Electronic Management of Electronic Invoices, electronic Invoices refer to the receipt and payment vouchers issued and received in data messages during the purchase and sale of commodities, provision or acceptance of services and other business activities. Electronic invoices are available in layout document format and non-layout document format, which can be downloaded and stored in electronic storage devices and circulated in the form of digital messages.

On March 21, 2017, in order to satisfy the needs of taxpayers in using electronic general invoice for VAT and promote the electronic general invoice for VAT, SAT promulgated the Guidelines of the State Administration of Taxation on Promotion of Electronic General Invoice for VAT (國家稅務總局關於進一步做好增值稅電子普通發票推行工作的指導意見). Pursuant to such guidelines, electronic invoice service platform shall be mainly based on self-established by taxpayers, or provided by third parties. Electronic invoice service platform shall provide the generation, printing, search, delivery and other basic services of the layout documents of electronic invoice free of charge. SAT is in charge of developing the unified technical standards and management system for the electronic invoice service platform, and build the tax supervision platform to carry out supervision and management to the service platform. The electronic invoice service platform shall observe the unified technical standards and management system. The technical plan and management plan for the platform development shall be filed with the state taxation authorities for record. For the promotion of the use of digitalized electronic invoices nationwide, the SAT promulgated the Announcement on Promoting the Use of Fully Digitalized Electronic Invoices (《關於推廣應用全面數字化電子發票的公告》) on November 12, 2024, which came into effect on December 1 2024. According to the Announcement on Promoting the Use of Fully Digitalized Electronic Invoices, digitalized electronic invoices are a type of "electronic invoice" as defined in the Administrative Measures the PRC on Invoices (《中華人民共和國發票管理辦法》). It is a new type of invoice where all invoice elements are fully digitalized, the invoice numbers are uniformly assigned nationwide, the invoice limit is intelligently granted, and the information is automatically transferred between taxpayers and tax authorities through digital tax accounts. Digitalized electronic invoices have the same legal effect as paper invoices.

According to the Announcement of the MOF, SAT, NDRC, State-owned Assets Supervision and Administration Commission of the State Council, State Administration for Market Regulation and National Archives Administration on the Notice of Cracking down on Arbitrary Charges imposed by Third Parties in the Name of Tax and Fee Deductions (國家稅務總局、國家發展改革委、財政部、國務院國有資產監督管理委員會、國家市場監督管理總局、國家檔案局關於堅決查處第三方涉稅服務借減稅降費巧立名目亂收費行為的通知) which was promulgated and became effective on April 4, 2019, third-party platforms for electronic invoices are required to go through record-filing of the names of operators, technical plans and management plans with provincial tax authorities. Where any operator fails to go through record-filing as required or fails to truthfully submit record-filing information, such operator shall be ordered to make correction within the specified time limit; if it fails to make correction within the time limit, it shall be prohibited from engaging in the services of third-party platforms for electronic invoices and subject to joint punishment imposed by relevant departments in accordance with laws and regulations.

According 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 on December 13, 1993 and most recently amended on November 19, 2017 and effective from the same date, where taxpayers export goods that are eligible for VAT refund (exemption), they shall complete export formalities with the customs and, based on the export declaration form and other relevant supporting documents, apply to the competent tax authorities on a monthly basis within the prescribed period for export VAT refund (exemption) declaration. Chinese Mainland entities and individuals that provide cross-border services or transfer intangible assets eligible for VAT refund (exemption) shall also apply to the competent tax authorities within the prescribed period for refund (exemption) procedures.

According to the Administrative Measures for the VAT Refund (Exemption) of Export Goods (Trial) (《出口貨物退(免)稅管理辦法(試行)》) which was promulgated by the SAT on March 16, 2005 and effective from May 1, 2005, exporters shall, within the prescribed time limit, collect all necessary documents for export VAT refund (exemption), use the electronic declaration system for export VAT refund (exemption) approved by the SAT to generate electronic declaration data, and truthfully fill out the export VAT refund (exemption) declaration form to declare and apply for refund (exemption) with the tax authorities. If the declaration is submitted after the prescribed period, unless otherwise provided, the tax authorities will no longer accept the VAT refund (exemption) application for the relevant export goods, and any taxes that should be recovered shall be collected in accordance with the relevant regulations. After accepting the exporter's VAT refund (exemption) declaration, the tax authorities shall, within the prescribed time limit, review the legality and accuracy of the declaration documents and materials, and verify the logical consistency among the declared data.

REGULATIONS ON PRODUCT LIABILITY AND CONSUMER RIGHTS PROTECTION

According to the Civil Code, if defective products are identified after they have been put into circulation, the manufacturers or the sellers shall take remedial measures such as issuance of a warning, alerts, calls and recall of products in a timely manner. In the event of damage arising from a defective product or the failure to take timely remedial actions, the infringed party may seek compensation from either the manufacturer or seller of such a product. If the defect is caused by the seller, the manufacturer shall be entitled to seek reimbursement from the seller upon compensation of the victim.

Pursuant to the PRC Product Quality Law (《中華人民共和國產品質量法》), which was promulgated on February 22, 1993 and amended on July 8, 2000, August 27, 2009, and December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the infringed party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. A seller of a product shall be responsible for repairing, replacing or returning the product with the specified defects, and shall compensate for the damages incurred by consumers who bought such defective product. After the seller performs its obligation of repairing, replacing and returning the defective product and/or compensating for the customers' damages, such seller is entitled to seek reimbursement from the manufacturer of such product, if it could be proved that the defect is caused by the manufacturer. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, the business license may be revoked.

A variety of consumer protection laws are also applicable to regulate our business including the Consumer Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法》), which was amended on October 25, 2013 and became effective on March 15, 2014. It imposes stringent requirements and obligations on business operators, who are required to guarantee that the products and services they provide satisfy the requirements for personal or property safety. Business operators are also required to provide consumers with authentic information about the quality, function, usage and term of validity of the products or services. Failure to comply with these consumer protection laws could result in a wide range of penalties including administrative sanctions, such as the issuance of a warning, confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

PRC Cybersecurity and Data Security

On November 7, 2016, the SCNPC issued the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which came into effect on June 1, 2017. This is the first PRC law that focuses exclusively on cybersecurity. The Cybersecurity Law provides that network operators must set up internal security management systems that meets the requirements of a classified protection system for cybersecurity, including appointing dedicated cybersecurity personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, and taking data security measures such as data classification, backups and encryption. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. Any violation of the provisions and requirements under the Cybersecurity Law may subject the Internet service providers to warnings, fines, confiscation of illegal gains, revocation of licenses, shutdown of websites or even criminal liabilities.

On December 28, 2021, the Ministry of Industry and Information Technology of the People’s Republic of China (the “MIIT”) and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which provide that (i) network platform operators in possession of over one million users’ personal information shall apply with the Cybersecurity Review Office for a cybersecurity review when listing in a foreign country; (ii) operators of “critical information infrastructure” that intend to purchase network products and services that will or may affect national security shall apply for a cybersecurity review; and (iii) network platform operators carrying out data processing that will affect or may affect national security shall apply for a cybersecurity review. The Cybersecurity Review Measures became effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated in April 2020.

On June 10, 2021, the SCNPC issued the PRC Data Security Law (《中華人民共和國數據安全法》), which has taken effect on September 1, 2021. The PRC Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. Data processors shall establish and improve the whole-process data security management rules, organize and implement data security trainings as well as take appropriate technical measures and other necessary measures to protect data security. Any organizational or individual data processing activities that violate the PRC Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances. On September 24, 2024, the State Council published the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which became effective on January 1, 2025. The Network Data Security Management provides that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations.

On July 22, 2020, the Ministry of Public Security published the Guiding Opinions on the Implementation of Cybersecurity Hierarchical Protection System and Critical Information Infrastructure Security Protection System (《貫徹落實網絡安全等級保護制度和關鍵信息基礎設施安全保護制度的指導意見》), which requires, among others, to determine the cybersecurity protection level in a scientific manner based on the importance of network (including network facilities, information system, and data resources) in national security, economic construction, and social life, as well as factors such as the degree of harm after its destruction, and to implement hierarchical protection and supervision, with emphasis on ensuring the security of critical information infrastructure and networks at or above the third level.

On July 30, 2021, the State Council promulgated the Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021, referring “critical information infrastructures” as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people’s livelihood, or public interests in the event of damage, loss of function, or data breach. Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

Personal Information Protection

The Civil Code of the PRC (《中華人民共和國民法典》) (the "Civil Code") that was issued on May 28, 2020 and became effective on January 1, 2021, provides that a natural person's personal information shall be protected by the law. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the security of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally trade, provide or make public the personal information of others.

The Cybersecurity Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users' personal information that they have collected, and are obligated to delete unlawfully collected information and to amend incorrect information. Moreover, internet operators may not provide users' personal information to others without consent. Exempted from these rules is information irreversibly processed to preclude identification of specific individuals. In addition, the Cybersecurity Law imposes breach notification requirements that will apply to breaches involving personal information.

Pursuant to the Ninth Amendment to the Criminal Law (《中華人民共和國刑法修正案(九)》) issued by the SCNPC on August 29, 2015 that became effective on November 1, 2015, any internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》) issued on April 23, 2013, Article 253 of the Criminal Law of the PRC (《中華人民共和國刑法》), and 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》), which was issued on May 8, 2017 and became effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "Personal Information Protection Law"), which became effective on November 1, 2021. According to the Personal Information Protection Law, personal information refers to any kind of information related to an identified or identifiable natural person as electronically or otherwise recorded, excluding information that has been anonymized. Processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. Processing of personal information shall be for a specified and reasonable purpose, and shall be conducted for a purpose directly relevant to the purpose of processing and in a way that has the least impact on personal rights and interests. Collection of personal information shall be limited to the minimum scope necessary for achieving the purpose of processing and shall not be excessive. In addition, the Personal Information Protection Law specifically specifies the rules for processing sensitive personal information, i.e., personal information that, once leaked or illegally used, may easily cause harm to the dignity of natural persons or grave harm to personal or property security, including information on biometric characteristics, financial accounts, individual location tracking, etc., as well as the personal information of minors under the age of 14. Entities processing personal information shall bear responsibility for their personal information processing activities and adopt the necessary measures to safeguard the security of the personal information they process. Otherwise, entities processing the personal information will be ordered to correct or suspend or terminate the provision of services, confiscation of illegal income, fines or other penalties.

REGULATIONS ON PROPERTY LEASING

Pursuant to Administrative Measures on the Lease of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010, parties to a lease agreement shall complete the lease registration and filing process with the competent construction (real estate) departments of the municipalities directly under the PRC governments of cities and counties where the property is located within 30 days after the lease agreement is signed. For those who fail to comply with the above regulations, such competent departments may impose a fine ranging from RMB1,000 and RMB10,000 per lease.

REGULATIONS ON FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in the PRC are the PRC Foreign Exchange Administration Regulations (《中華人民共和國外匯管理條例》), or the Foreign Exchange Administration Regulations, which were promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008. Under the Foreign Exchange Administration Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan, or investment in securities outside of China, unless prior approval of SAFE or its local counterparts has been obtained.

The SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, in replacement of the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》). The SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《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》), or the SAFE Circular 16, effective on June 9, 2016, which, among other things, amended certain provisions of the SAFE Circular 19. According to the SAFE Circular 19 and the SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign investment company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the SAFE Circular 19 or the SAFE Circular 16 could result in administrative penalties.

On October 23, 2019, the SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, on the premise of no violation of the existing special administrative measures for access of foreign investments (negative list) and the authenticity and compliance with the laws. According to the Circular of the State Administration of Foreign Exchange on Optimizing Administration of Foreign Exchange to Support the Development of

Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the "**SAFE Circular 8**"), issued by the SAFE on April 10, 2020, on the premise of ensuring that the use of funds is genuine and compliant and in line with the existing regulations on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital account income such as capital funds, foreign debt, fund raising from overseas listings, without providing the authenticity proof materials to the bank in advance for each payment. The handling bank shall conduct spot check afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of the SAFE Circular 28 and the SAFE Circular 8 are still subject to substantial uncertainties.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of 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》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 business days from the date of completion of its overseas listing and offering, deal with registration formalities for the overseas listing with the local branch of the State Administration of Foreign Exchange at the place of its registration. The proceeds raised by the domestic company from overseas listing may be repatriated or be deposited overseas. The usage of such proceeds shall be consistent with the relevant content mentioned in the publicly disclosed documents such as the document, explanation on offering of corporate bonds, circulars to shareholders, resolutions of the board of directors or the general meetings.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Copyright and Software Registration

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and finally revised on November 11, 2020 and came into effect on June 1, 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 August 2, 2002 and implemented on September 15, 2002, and finally revised on January 30, 2013. Copyright holders enjoy a variety of personal and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of communication of information on networks.

Pursuant to the Regulations on Computer Software Protection (《計算機軟件保護條例》) promulgated on June 4, 1991 by the State Council and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on April 6, 1992 and last amended by the National Copyright Administration on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulations on Computers Software Protection.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People's Republic of China (《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 revised on April 29, 2014, and became effective on May 1, 2014, the Trademark Office of China National Intellectual Property Administration (the "Trademark Office") is responsible for the registration and administration of trademarks and resolving trademark disputes in the PRC. Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within twelve months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered. Renewed registrations are valid for ten years. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licenser shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish it. An unrecorded license may not be used as a defense against a third party in good faith.

Patents

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "Patent Law"), which was promulgated by the SCNPC on March 12, 1984 and revised on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020 respectively, and became effective on June 1, 2021, and the Rules for Implementation of the Patent Law of the People's Republic of China (《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 and revised on December 28, 2002, January 9, 2010, December 11, 2023, and became effective on January 20, 2024, the patent administration department under the State Council shall be responsible for the patent-related work in China. It accepts and examines patent applications in a uniform way and grants patent rights in accordance with the law. The Patent Law and its implementation rules provide for three types of patents, namely "inventions," "utility models" and "designs". Invention patents are valid for twenty years, utility model patents are valid for ten years, and since June 1, 2021, the term of protection for design patents whose application date is after June 1, 2021 has been extended to fifteen years in each case from the date of application. The Chinese patent system adopts a "first-to-file" principle, which means that where more than one person files a patent application for the same invention, utility model or design, a patent will be granted to the person who files the application first. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third Parties must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the unauthorized use constitutes an infringement on the patent rights.

Domain Names

The Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) (the "Domain Name Measures") was promulgated by the MIIT on August 24, 2017, and came into effect on November 1, 2017. According to the Domain Name Measures, any party that has domain name root servers, and the institution for operating domain name root servers, the domain name registry, and the domain name registrar within the territory of the PRC, shall obtain a permit from the MIIT (for root server operators and registries) or the communications administration of the local province (for registrars), autonomous region or municipality directly under the PRC central government. The registration of domain names generally follows a "first-come, first-served" basis and a domain name applicant will become the domain name holder upon the completion of the application procedure.

Trade Secrets

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993, as most recently amended on June 27, 2025 and effective from October, 15 2025, the term "trade secrets" refers to technical information, business information, or other commercial information that is not publicly known, has commercial value, and is subject to confidentiality measures taken by the rights holder. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets by: (1) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under item above; (3) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence; or (4) instigate, induce or assist others to violate confidentiality obligation or to violate a rights holder's requirements on keeping confidentiality of commercial secrets, so as to disclose, use or allow others to use the commercial secrets of the rights holder. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

REGULATIONS ON TAX IN THE PRC

Principal Taxation of Our Company

Enterprise Income Tax

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with the law, or which are set up in accordance with the law of a foreign country (region) but are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China 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 on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax ("VAT"). Unless otherwise provided, taxpayers engaged in the provision of services and sales of intangible assets are subject to a tax rate of 6%, 9% or simplified rates (3%/5%) depending on the category.

According to the Notice of the MOF and the SAT on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Caishui [2016] No. 36) (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)》) promulgated by the Ministry of Finance and the State Administration of Taxation promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, and March 20, 2019, respectively, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT.

According to the Circular on Policies for Simplifying and Consolidating Value-Added Tax Rates (Cai Shui [2017] No. 37) (《關於簡並增值稅稅率有關政策的通知》(財稅[2017]37號)), announced by the Ministry of Finance and the State Administration of Taxation on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax (VAT) rates will be simplified from July 1, 2017, and the 13% VAT rate will be canceled. The scope of goods with an 11% tax rate and the provisions for deducting input tax are specified.

According to the Circular on Adjusting Value-Added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) announced by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 and effective May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for value-added tax (VAT) purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs (《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》) ("Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39") announced by the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%, and the originally applicable VAT rate of 10% shall be adjusted to 9%.

Dividends Distribution

Pursuant to the PRC Company Law, when a company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in the company's statutory reserve. A company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital. If a company's statutory reserve is insufficient to cover previous years' losses, the current year's profits shall first be used to cover such losses before statutory reserve is set aside. After a company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders' meeting, set aside an amount for discretionary reserve from its after-tax profits. Furthermore, the EIT Law provides that dividends paid by a PRC entity to a non-resident enterprise for income tax purposes are subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China.

Taxation on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) which was promulgated on September 10, 1980 and last amended on August 31, 2018 by the SCNPC, and which came into effect on January 1, 2019, and the Regulations for the Implementation 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 were last amended by the State Council on December 18, 2018 and which came into effect on January 1, 2019, dividends paid by PRC enterprises to individual investors are generally subject to a proportional tax 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 a relevant tax treaty. In addition, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends of foreign-invested enterprises is exempted from individual income tax for the time being.

Corporate Investors

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China (including dividends received from a PRC resident enterprise), and the enterprise income rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. When making such payment or when such payment becomes due and payable, the withholding obligator shall withhold the income tax from the payment or the amount due and payable.

The Circular of the SAT on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-PRC Resident Enterprise Holding H Shares of the Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was promulgated by the SAT and which came into effect on November 6, 2008, further clarifies that PRC resident enterprises should, in distributing dividends for year 2008 or any year thereafter to non-resident enterprises holding H-shares of the enterprises, withhold enterprise income tax for such dividends at a tax rate of 10%. The Reply from the SAT on Issues Concerning Levying Enterprise Income Tax on Dividends of B Shares and Other Shares Obtained by Non-resident Enterprises (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was promulgated by the SAT on July 24, 2009, further provides that where PRC resident enterprises that have shares (A shares, B shares and overseas shares) publicly issued and listed in and outside of the PRC distribute dividends of year 2008 or any year thereafter to non-resident enterprise shareholders, enterprise income tax at the rate of 10% shall be withheld. Where non-resident enterprise shareholders need to enjoy tax treatments specified in tax treaties, relevant provisions of tax treaties shall apply.

Taxes on Income from Share Transfer

Individual Investors

According to the relevant regulations on individual income tax, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of shares of PRC resident enterprises.

In accordance with the Circular of the MOF and the SAT on the Continued Exemption of Individual Income Taxes Levied on Income Obtained from the Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) that was promulgated by the MOF and the SAT on March 30, 1998, since January 1, 1997, income of individuals from the transfer of shares of listed companies remains exempted from individual income tax. The Circular of Issues Concerning the Imposition of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) which was jointly promulgated on December 31, 2009 by the MOF, the SAT and the CSRC, provides that income from the transfer of shares of listed companies on relevant domestic stock exchanges by individuals shall continue to be exempted from individual income tax, except for the relevant restricted shares as defined in Supplemental Circular of the MOF, the SAT and the CSRC of Issues Concerning the Imposition of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies by Individuals (《財政部、國家稅務總局、證監會關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》). As of the Latest Practicable Date, the foresaid provisions don't specify whether individual income tax on transfer of shares of a PRC resident enterprise listed on an overseas stock exchange by non-resident individual shareholders would be levied.

Corporate Investors

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China (including gains from the disposal of shares of PRC resident enterprises) and the enterprise income tax rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

REGULATIONS ON LABOR

Labor Law and Labor Contracts

The Labor Law of the PRC (《中華人民共和國勞動法》), or the Labor Law, which became effective in January 1995 and was last amended on December 29, 2018, and the Employment Contract Law of the PRC (《中華人民共和國勞動合同法》), or the Employment Contract Law, effective in January 2008 and amended on December 28, 2012, require employers to provide written contracts to their employees, restrict the use of temporary workers and aim to give employees long-term job security. Employers must pay their employees' wages equal to or above local minimum wage standards, establish labor safety and workplace sanitation systems, comply with state labor rules and standards, and provide employees with appropriate training on workplace safety. On September 18, 2008, the State Council promulgated the Implementing Regulations for the PRC Employment Contract Law (《中華人民共和國勞動合同法實施條例》), which became effective immediately, interpreting and supplementing the provisions of the Employment Contract Law.

Social Insurance and Housing Fund

Employers in the PRC are required to contribute, for and on behalf of their employees, to a number of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing fund. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which were promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which were promulgated by the State Council on April 27, 2003 and amended on December 20, 2010, and the Regulations on Management of the Housing Fund (《住房公積金管理條例》), which were promulgated and became effective on April 3, 1999 and were amended on March 24, 2002 and on March 24, 2019. According to the Social Insurance Law of the PRC, when an employer fails to pay social insurance contributions on time and in full, the social insurance contributions collecting agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the rate of 0.05% per day shall be levied as of the date of indebtedness. If the payment is not made at the expiry of the prescribed period, a fine of more than the overdue amount but not more than triple the overdue amount shall be imposed by the authoritative administrative department. Under the Regulations on Management of the Housing Fund, if an entity fails to conduct registration of deposit of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; if the entity fails to do so by the expiration of the time limit, a fine ranging from RMB10,000 to RMB50,000 shall be imposed. If an entity is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), which was promulgated by the SCNPC on September 2, 1993 and was last amended on June 27, 2025, while carrying out production or business activities, a business operator shall follow the principles of voluntariness, equality, fairness, and good faith, abide by laws and observe business ethics, and participate fairly in market competition. Unfair competition act refers to an act of disrupting market competition order and harming the lawful rights and interests of another business operator or consumers conducted by a business operator in violation of the provisions of the Anti-unfair Competition Law in the course of its production or business activities.

The Anti-Monopoly Law (《中華人民共和國反壟斷法》), promulgated by the SCNPC on August 30, 2007 and amended on June 24, 2022 with effect on August 1, 2022, requires that monopoly agreements between business operators who are in competition with each other are prohibited, and a business operator must not organize other business operators to enter into a monopoly agreement or provide substantive assistance to another business operator in entering into a monopoly agreement. A business operator who holds a dominant market position shall be prohibited from engaging in the conduct by abusing its dominant market position. When a concentration of undertakings occurs and reaches statutory thresholds, the undertakings concerned shall file a prior notification with the State Council's anti-monopoly law enforcement authority. In the absence of such notification, such concentration may not be carried out. Where any business operator carries out a concentration of undertakings in violation of the Anti-Monopoly Law, the business operator shall be ordered to end the concentration, dispose of the shares or assets and transfer business within a time limit, take other necessary measures to restore its status to the pre-concentration state, and impose on it a fine of not more than ten percent of its last year's sales revenue if the concentration of undertakings has or may have an effect of excluding or limiting competition; or a fine of not more than RMB5,000,000 if the concentration of undertakings does not have an effect of excluding or limiting competition. Mergers, acquisitions, contractual arrangements or other means that allow one undertaking to take control of or to exert decisive impact on another undertaking must also be notified in advance to the anti-monopoly law enforcement authority when the threshold under the Provisions of the State Council on Thresholds for Declaration of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》), issued by the State Council in August 2008 and amended in September 2018 and January 2024, is triggered.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

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 last amended on December 28, 2019 and came into 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 its securities to be traded overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies which are denominated in foreign currencies, specific measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to implement centralized, unified supervision and administration of the securities markets nationwide. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》) to crack down on illegal activities and promote high-quality development of the securities market, which, among other things, requires relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws.

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures"), and five relevant supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "New Regulations on Filing"), which took effect on March 31, 2023. The New Regulations on Filing refine the regulatory system for domestic company's overseas offering and listing by subjecting both direct and indirect overseas offering and listing activities to the filing-based administration, and clearly define the circumstances where provisions for direct and indirect overseas offering and listing apply and relevant regulatory requirements. According to the Overseas Listing Trial Measures, where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within three (3) working days after the relevant application is submitted overseas. Failure to complete the filing required by the Overseas Listing Trial Measures may result in a warning and a fine between RMB1 million and RMB10 million as for the domestic entity.

In addition, on February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China jointly promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering 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》), or the Confidentiality and Archives Administration Provisions, which took effect on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, where a PRC domestic company 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 listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall first obtain approval from competent authorities according to law and file with the secrecy administrative department at the same level. To provide accounting archives or copies to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, a PRC domestic company shall perform the corresponding procedures in compliance with applicable national regulations. Working papers produced in the PRC by securities companies and securities service institutions in the process of undertaking businesses related to overseas offering and listing by PRC domestic companies shall be retained in the PRC. Where such documents need to be transferred or transmitted to outside of the PRC, relevant approval procedures stipulated by regulations shall be followed.

Full Circulation of H Shares

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was amended on August 10, 2023.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the filing procedures necessary for the Overseas Listing Regulations. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with China Securities Depository and Clearing Limited (the "**CSDC**") of the shares related to the application has been completed. After domestic unlisted shares are listed and circulated on the Hong Kong Stock Exchange, they may not be transferred back to China.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "**Measures for Implementation**") to regulate the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc.

In addition, the Shenzhen Branch of CSDC released the Guide for "Full Circulation" Business of H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) on September 20, 2024 and amended it on June 27, 2025 which clearly provides for business arrangements and procedures related to H-share full circulation business, including business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance and change in maintenance of domestic holding details, corporate behavior processing, clearing and settlement, risk management and business charges.

Pursuant to the Overseas Listing Regulations, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed in an overseas stock exchange, shall comply with the relevant regulations of the CSRC and entrust domestic enterprises to file with the CSRC.