## OVERVIEW

This section provides an overview of the key laws and regulations that have a significant impact on our business.

## LAWS AND REGULATIONS APPLICABLE TO OUR BUSINESS IN CHINA

Our business in China is governed by a comprehensive regulatory framework comprising numerous laws, regulations, and rules that govern various aspects of our operations. This section provides an overview of the key legal provisions applicable to our business in China.

## LAWS AND REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS BUSINESSES

According to the Telecommunications Regulations of the People's Republic of China (《中華人民共和國電信條例》), which was most recently amended by the State Council on February 6, 2016, and took effect on the same day, operators of telecommunications businesses must obtain operating permits for telecommunications businesses issued by the Ministry of Industry and Information Technology (MIIT) as the supervisory department for the information industry under the State Council or the telecommunications administration authorities of provinces, autonomous regions and municipalities under the central government. Failure to do so may result in the competent authority ordering corrective action, issuing a warning, imposing a fine, or confiscating illegal gains. In serious cases, the operators' websites may be ordered to shut down. The Telecommunications Regulations classify all telecommunications businesses in China into basic telecommunications businesses and value-added telecommunications businesses. Value-added telecommunications businesses shall mean businesses that provide telecommunications and information services using public network infrastructure.

According to the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》), which was most recently revised by the State Council on December 6, 2024, and took effect on January 20, 2025, internet information services are divided into operational and non-operational categories; operational operators providing Internet content services must apply to the appropriate telecommunications regulatory authority for an Operating Permit for Value-Added Telecommunications Business for internet information services.

According to the Measures for the Administration of Operating Permit for Telecommunications Business (《電信業務經營許可管理辦法》), which was most recently revised by the MIIT on July 3, 2017, and became effective on September 1, 2017, these regulations further clarify the types of operating permits required to operate value-added telecommunications businesses, the qualifications for application, and related procedures, as well as provisions regarding the management and supervision of operating permits.

According to the Catalog of Telecommunications Businesses (《電信業務分類目錄》) most recently revised by the MIIT on June 6, 2019, and effective on the same day, online data processing and transaction processing services, as well as Internet-related information services, fall within the scope of value-added telecommunications businesses.

## LAWS AND REGULATIONS RELATING TO INTERNET CULTURE BUSINESS OPERATIONS

According to the Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》), most recently revised by the Ministry of Culture (now abolished) on December 15, 2017, and effective on the same date, these provisions apply to entities engaged in activities related to Internet cultural products, which are defined as cultural products produced, disseminated, and circulated through the Internet, mainly including: (i) internet cultural products specially produced for the online publication, such as (but not limited to) online music entertainment, online games, online performance dramas (festivals), online performances, online artworks, and online animations and cartoons; and (ii) internet cultural products created for the Internet by using certain technical means to produce and reproduce online cultural products, such as music entertainment, games, performance dramas (festivals), performances, artworks, animations and cartoons. Pursuant to these regulations, any entity intending to engage in any of the following types of operational Internet cultural activities must apply for and obtain an Internet Culture Business License from the provincial-level cultural administrative department: (1) activities such as the production, reproduction, importation, distribution, or broadcasting of Internet culture products; (2) posting cultural products on the Internet, or transmitting them via information networks such as the Internet or mobile telecommunications networks to user terminals (including computers, landline telephones, mobile phones, televisions, or game consoles), as well as to Internet service business premises such as Internet cafes, for users to browse, view, use, or download such products; or (3) exhibitions or competitions involving online cultural products.

According to the Measures for the Self-Review of Content by Internet Culture Business Entities (《網絡文化經營單位內容自審管理辦法》), promulgated by the Ministry of Culture (now abolished) on August 12, 2013, and effective on December 1, 2013, internet culture business entities are required to conduct a prior review of their content before providing products and services to the public.

## LAWS AND REGULATIONS RELATING TO ARTIFICIAL INTELLIGENCE

According to the Administrative Provisions on Algorithm Recommendation for Internet Information Services(《互聯網信息服務算法推薦管理規定》) issued by the Cyberspace Administration of China (hereinafter referred to as the CAC) and three other departments on December 31, 2021, and effective on March 1, 2022, these regulations apply to enterprises (algorithm-based recommendation service providers) that use algorithm-based recommendation technologies — such as content generation and synthesis, personalized push notifications, ranking and curation, search and filtering, and scheduling and decision-making — to provide internet information services to users. Under these regulations, algorithm recommendation service providers must assume primary responsibility for algorithm security, regularly reviewing, evaluating, and verifying the mechanisms, models, data, and application results of their algorithms. They must not design algorithm models that induce user addiction, excessive consumption, or otherwise violate laws, regulations, or ethical standards, strengthening information security management. Algorithm recommendation service providers must protect user rights and interests by offering users options that are not tailored to their personal characteristics, or by providing users with convenient options to disable algorithm recommendation services. When providing services to minors, they shall fulfill their legal obligations regarding the protection of minors online. Algorithm-based recommendation service providers shall establish convenient and effective channels for user appeals, public complaints, and reports; clarify processing procedures and response timelines; and promptly accept, process, and provide feedback on the results. Algorithm-based recommendation service providers with public opinion influence or the capacity for social mobilization shall, within ten working days from the date of service provision, complete filing procedures through the Internet Information Service Algorithm Filing System and conduct security assessments in accordance with relevant national regulations.

Pursuant to the Provisions on Administration of Deep Synthesis of Internet-based Information Services(《互聯網信息服務深度合成管理規定》), issued by the CAC and two other departments on November 25, 2022, and effective on January 10, 2023, these regulations establish obligations for service providers, technology supporters, and users of deep synthesis technology internet information. These obligations include authenticating a users' identity, implementing data security and personal information protection measures, strengthening the management of deep synthesis content, and labeling information generated or edited by using deep synthesis technology. Providers of deep synthesis services with public opinion influence or the capacity for social mobilization shall fulfill the procedures for filing, amending, and canceling the filing of deep synthesis service algorithms in accordance with the Administrative Provisions on Algorithm Recommendation for Internet Information Services(《互聯網信息服務算法推薦管理規定》). Technology supporters of deep synthesis services shall fulfill the filing, amendment, and cancellation procedures in accordance with these regulations. When providers of deep synthesis services develop and launch new products, applications, or features with public opinion influence or the capacity for social mobilization, they shall conduct security assessments in accordance with relevant national regulations.

According to the Interim Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "**AIGC Administration Measures**"), issued by the CAC and six other departments on July 10, 2023, and effective on August 15, 2023. As defined in the AIGC Administration Measures, AIGC technology refers to models and related technologies capable of generating content such as text, images, audio, and video; A provider of AIGC services refers to an organization or individual that utilizes generative AI technology to provide generative AI services (including through the provision of programmable interfaces or other means). Regarding the scope of application, AIGC Administration Measures stipulate that services utilizing generative AI technology to provide generated text, images, audio, video, and other content to the public within China are subject to these Measures. Where the state has separate provisions regarding the use of generative AI services in activities such as news publishing, film and television production, and literary and artistic creation, such provisions shall prevail. Regarding governance mechanisms, AIGC Administration Measures clarify that providers of AIGC services shall conduct training data processing activities, such as pre-training and fine-tuning, in accordance with the law and shall comply with the following provisions: (i) using data and foundational models from legitimate sources; (ii) as for intellectual property rights, they must not infringe upon the intellectual property rights lawfully enjoyed by others; (iii) as for personal information, they must obtain the individual's consent or comply with other circumstances prescribed by laws and administrative regulations; (iv) during the research and development of generative AI technology, they must establish annotation rules, conduct quality assessments of data annotation, and provide training to annotation personnel.

With regard to the regulations on generative AI services, AIGC Management Measures require providers of generative AI services to take effective measures to prevent minor users from becoming overly reliant on or addicted to such services; to assume the responsibilities of a personal information processor in accordance with the law; to fulfill their legal obligations to protect the input information and usage records of users of generative AI services; and to promptly accept and process requests from individuals regarding the access, copying, correction, supplementation, or deletion of their personal information; in accordance with the Provisions on Administration of Deep Synthesis of Internet-based Information Services(《互聯網信息服務深度合成管理規定》), providers of deep synthesis services must label generated content such as images and videos; upon discovering illegal or harmful content, they shall promptly take remedial measures such as ceasing generation, halting transmission, and removal, and implement corrective actions such as optimizing model training; if users are found to be using generative AI services to engage in illegal activities such as the production, reproduction, publication, or dissemination of false information, such providers shall take relevant remedial measures in accordance with the law and contractual agreements, preserve relevant records, and report such incidents to the cyberspace administration and relevant competent authorities; and establish and improve complaint and reporting mechanisms.

Pursuant to the Measures for Labeling of AI-Generated and Synthetic Content (《人工智能生成合成內容標識辦法》) (the "**Labeling Measures**"), issued by the CAC and three other departments on March 7, 2025, and effective on September 1, 2025, Labeling Measures stipulate that it applies to online information service providers engaging in the labeling of AI-generated and synthetic content that falls under the circumstances specified in the Administrative Provisions on Algorithm Recommendation for Internet Information Services, the Provisions on Administration of Deep Synthesis of Internet-based Information Services, and the AIGC Management Measures. The Labeling Measures explicitly require service providers to add explicit labels to generated and synthetic content, including text, audio, images, videos, and virtual scenes. When providing functions such as downloading, copying, or exporting generated and synthetic content, service providers must ensure that the files contain explicit labels that meet the requirements. Service providers must also add implicit labels to the metadata of generated and synthetic content files; these implicit labels must include production element information such as the attributes of the generated and synthetic content, the service provider's name or code, and the content identification number; they must clearly specify the methods, styles, and other standards for labeling generated and synthetic content in user service agreements, and prompt users to carefully read and understand the relevant labeling management requirements. The Labeling Measures propose that when users actively request content without explicit labels, website platforms may provide such content to users by clearly defining responsibilities and obligations in user agreements and retaining relevant log information for no less than six months in accordance with the law, provided they do not violate relevant laws and regulations. Furthermore, during subsequent use, users must comply with the relevant requirements of the Labeling Measures, and may only publish and disseminate such content to the public after proactively declaring that it is generated and synthetic and adding the explicit label. Additionally, no organization or individual may maliciously delete, tamper with, forge, or conceal the generated and synthetic content labels specified in the Labeling Measures; nor may they provide tools or services to others for the purpose of committing such malicious acts; nor may they use improper labeling methods to infringe upon the lawful rights and interests of others.

## LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

Pursuant to the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》), promulgated by the Standing Committee of the National People's Congress on July 1, 2015, and effective on the same date, the State safeguards its sovereignty, security, and development interests in the cyberspace. The State is also required to establish the rules and mechanisms for national security review and supervision to review (among other things) foreign investment, key technologies, network information technology products and services, and other major matters and activities that may affect China's national security.

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), as most recently amended by the Standing Committee of the National People's Congress on October 28, 2025, and effective on January 1, 2026, the construction and operation of networks and the provision of network-based services shall be completed in accordance with the provisions of laws and administrative regulations and compulsory national standards. Technical measures and other necessary measures shall be taken in order to ensure cybersecurity and operational stability, provide an effective response to cybersecurity incidents, prevent cybercrimes, and maintain the integrity, confidentiality and availability of online data. Network products and services shall comply with the mandatory requirements of relevant national standards.

The Measures for Cybersecurity Review (《網絡安全審查辦法》), which was jointly revised by the CAC and 12 other Chinese regulatory authorities, promulgated on December 28, 2021, and effective on February 15, 2022, stipulates that (including, but not limited to), (i) operators of critical information infrastructure that procure network products and services, and operators of online platforms that conduct data processing activities, which affect or may affect national security, shall undergo a cybersecurity review by the Cybersecurity Review Office; the Cybersecurity Review Office under the CAC is the department responsible for organizing cybersecurity reviews; (ii) operators of online platforms holding personal information of more than 1 million users must apply to the Cybersecurity Review Office for a cybersecurity review when seeking a listing overseas; and (iii) if relevant regulatory authorities determine that an enterprise's network products, services, or data processing activities affect or may affect national security, such authorities may proactively initiate a cybersecurity review.

Pursuant to the Amendment IX to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》), promulgated by the Standing Committee of the National People's Congress on August 29, 2015, and effective on November 1, 2015, if an internet service provider fails to fulfill its information network security management obligations as prescribed by laws and administrative regulations, and refuses to rectify the situation after being ordered to do so by regulatory authorities, criminal liability shall be pursued in accordance with the law in cases of serious circumstances.

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and effective on September 1, 2021, an organization or individual shall collect data by lawful and proper means, and shall not acquire data by theft or in other illegal manners. When providing services, data transaction intermediaries shall require data providers to specify the sources of the data, verify the identities of both parties to the transactions, and retain the verification and transaction records. Where laws or administrative regulations require that administrative permissions be acquired for providing services related to data processing, service providers shall obtain such administrative permissions in accordance with these provisions.

Pursuant to the Regulations on Network Data Security Management (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024, and effective on January 1, 2025, network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, strengthen network data security protection on the basis of the cybersecurity grading protection system, establish and improve network data security management systems, and adopt technical measures or other necessary measures to protect network data and prevent criminal activities targeting or exploiting network data. The Regulations on Network Data Security Management also stipulate requirements for data processing activities conducted over the internet, including but not limited to the formulation of personal information processing rules, general requirements for the processing of personal information, and the accepting of requests from individuals regarding their personal information. Network data processors shall designate a network data security officer, and establish a network data security management body that shall fulfill its responsibilities for network data security protection. Where a network data processor's merger, division, dissolution, bankruptcy, or other circumstances may affect the security of important data, it shall take measures to ensure network data security and report to the relevant competent authorities.

## LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

### *Copyright*

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was most recently amended by the Standing Committee of the National People's Congress on November 11, 2020, and became effective on June 1, 2021, along with its relevant implementing regulations, works of Chinese citizens, legal entities, or unincorporated organizations, whether published or not, are to enjoy copyright in accordance with this Law. Works, as used in this law refers to intellectual achievements in areas such as literature, arts, and sciences, that have originality, which can be fixed in certain forms, including but not limited to written works, oral works, and computer software. The copyright holder of a protected work enjoys personal and property rights, including the right of publication, the right of attribution, the right of alteration, the right of integrity, the right of reproduction, the right of distribution, the right to lease, the right of exhibition, the right of performance, the right of projection, broadcasting rights, the right of information network transmission, the right of production, the right of adaptation, the right of translation, the right of compilation, and other rights.

According to the Regulations on Protection of the Right of Communication through Information Network (《信息網絡傳播權保護條例》), which was most recently revised by the State Council on January 30, 2013, and took effect on March 1, 2013, a network service provider shall bear liability under various circumstances, including where they know or ought to know that online copyright infringement has occurred but fail to take measures to remove or suspend or disconnect the links to the relevant content, or where, although they are unaware of the infringement, they fail to take such measures after receiving a notice of infringement from the copyright owner. Under certain circumstances prescribed by law, a network service provider bears no liability for compensation.

According to the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Disputes Involving Infringement of the Right of Communication through Information Network (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》), which were most recently revised by the Supreme People's Court on December 29, 2020, and took effect on January 1, 2021, if internet users or internet service providers, without authorization, provide works, performances, or audio-visual recordings for which the rights holder holds the right of communication through information network through information networks, such acts may constitute an infringement of the right of communication through information network.

Pursuant to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on January 30, 2013, and effective on March 1, 2013, as well as the Measures for the Registration of Computer Software Copyright in Computer Software (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and became effective on February 20, 2002, the National Copyright Administration is responsible for administering the registration of software copyright nationwide and has designated the China Copyright Protection Center as the software registration authority. The China Copyright Protection Center shall, in accordance with the law, issue a registration certificate to applicants for computer software copyright who meet the requirements and make such registrations public.

***Patents***

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was most recently amended by the Standing Committee of the National People's Congress on October 17, 2020, and came into effect on June 1, 2021, along with its implementing regulations, patents are classified into invention patents, utility model patents, and design patents. The duration of patent rights for inventions is 20 years, for utility models is 10 years, and for designs is 15 years, all counted from the date of filing.

***Trademarks***

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on April 23, 2019, and came into effect on November 1, 2019, the term of validity of a registered trademark is ten years, and the trademark owner may apply for renewal, with each renewal being valid for ten years. The trademark office of the administrative department for industry and commerce under the State Council shall be in charge of the work of trademark registration. Where a trademark, for the registration of which an application is made, that is identical with or similar to the trademark already registered by another person or is given preliminary examination and approval for use on the same kind of goods or similar goods, the trademark office shall reject the application.

***Domain Names***

Pursuant to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017, and effective on November 1, 2017, the Ministry of Industry and Information Technology is the primary regulatory authority for domain name services nationwide. Domain name registration services generally follow the first-come, first-served principle, unless otherwise specified. Applicants for domain name registration shall provide the domain name registration service provider with true, accurate, and complete identity information of the domain name holder and other domain name registration information for the purpose of registration, and must verify the authenticity and completeness of the registration data. Upon completion of the domain name registration, the applicant will become the holder of the registered domain name.

## LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the People's Republic of China (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress on December 29, 2023, and became effective on July 1, 2024, regulates the establishment, operation, and management of companies within China (including foreign-invested enterprises). Unless otherwise provided for in the Foreign Investment Law, foreign-invested enterprises shall comply with the Company Law of the People's Republic of China.

Pursuant to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) and its implementing regulations, which were promulgated by the Standing Committee of the National People's Congress on March 15, 2019, and became effective on January 1, 2020, as well as the Measures for the Reporting of Foreign Investment Information, which was promulgated by the Ministry of Commerce and the State Administration for Market Regulation on December 30, 2019, and became effective on January 1, 2020, the State Council establishes a system for foreign investment information reporting. Foreign investors or foreign-invested enterprises shall submit investment information to the relevant competent commerce departments through the enterprise registration system and the enterprise credit information publicity system. The content and scope of the foreign investment information report shall be determined in accordance with the principle of necessity; the investment information that can be obtained through the inter-department information sharing system shall not be required to be submitted again. For foreign-invested enterprises (including those with multi-tiered investments) that invest in and establish enterprises in China, after completing registration and filing with the market regulation authorities and submitting annual report information, the relevant information shall be forwarded by the market regulation authorities to the commerce administrative departments; such enterprises are not required to submit the information separately.

Foreign investment in China must comply with the Catalogue of Industries for Encouraging Foreign Investment (2025), which was most recently revised by the National Development and Reform Commission ("**NDRC**") and the Ministry of Commerce on December 15, 2025, and took effect on February 1, 2026, the Special Administrative Measures for Foreign Investment Access (Negative List) (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was jointly promulgated by the NDRC and the Ministry of Commerce on September 6, 2024, and took effect on November 1, 2024, and the Negative List for Market Access (2025) (《市場准入負面清單(2025年版)》), which was jointly promulgated by the NDRC the Ministry of Commerce, and the State Administration for Market Regulation on April 16, 2025, and took effect on the same date. Pursuant to the Negative List, foreign investors are prohibited from investing in industries listed as prohibited in the Negative List, while foreign investment in restricted industries must meet specific conditions set forth in the Negative List. Industries not listed in the Negative List or the Negative List for Market Access are, in principle, deemed open to foreign investment.

Pursuant to the Negative List and the Administrative Provisions on Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) which was most recently revised by the State Council on March 29, 2022, and took effect on May 1, 2022, as for the value-added telecommunications services which were opened up in accordance with China's WTO accession commitments, the shareholding percentage of the foreign investors shall be no more than 50%, with the exception of services such as e-commerce, domestic multi-party communications, data collection and transmission, and call centers.

Pursuant to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), promulgated by the National Development and Reform Commission and the Ministry of Commerce on December 19, 2020, and effective on January 18, 2021, foreign investment that affects or may affect national security shall be subject to security review under these Measures. Foreign investors or the relevant parties in China shall proactively report any foreign investment to the Office of the Working Mechanism before making the investment in involving national security, such as critical infrastructure, important cultural products and services, critical information technology and internet products and services, and other critical fields and acquisition of actual control of the enterprise invested.

Pursuant to the Measures for the Administration of Overseas (《境外投資管理辦法》) Investment promulgated by the Ministry of Commerce on September 6, 2014, and effective on October 6, 2014, and the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission on December 26, 2017, and effective on March 1, 2018, Overseas investment refers to investment activities in which domestic enterprises, either directly or through overseas enterprises under their control, acquire ownership, control, management rights, or other related interests in overseas entities through means such as injecting assets, equity, providing financing, or offering guarantees. The scope of approval and management by the National Development and Reform Commission covers sensitive projects implemented by the investing entity either directly or through overseas enterprises under its control. The Ministry of Commerce and provincial-level commerce departments are responsible for the administrative management and supervision of overseas investment. Depending on the specific circumstances of an enterprise's overseas investment, either filing or approval procedures are implemented. Overseas investments involving sensitive countries, regions, or industries must be approved by the NDRC; all other overseas investments are subject to filing procedures. The Ministry of Commerce and provincial-level commerce departments manage enterprises' overseas investments through the overseas investment management system and issue the Enterprise Overseas Investment Certificate to enterprises that have completed the filing or approval process.

## LAWS AND REGULATIONS RELATING TO LEASES

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), promulgated by the National People's Congress of the People's Republic of China on May 28, 2020, and effective on January 1, 2021, the owner of immovable or movable property is entitled by law to the rights of possession, use, benefits, and disposal of such property. A lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee. Where a lessee subleases the leased object without the consent of the lessor, the lessor may rescind the contract. Furthermore, a change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract does not affect the validity of the lease contract.

Pursuant to the Law of the People's Republic of China on the Administration of the Urban Real Estate (《中華人民共和國城市房地產管理法》), promulgated by the Standing Committee of the National People's Congress on August 26, 2019, and effective on January 1, 2020, in the lease of a house, the leaser and the leasee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the lease with the department of housing administration for the record.

## LAWS AND REGULATIONS RELATING TO LABOR PROTECTION

### *Labor Contracts*

In accordance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), as most recently amended by the Standing Committee of the National People's Congress on December 29, 2018 and effective, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), as most recently amended by the Standing Committee of the

National People's Congress on December 28, 2012, and effective on July 1, 2013, along with its implementing regulations, employing units shall establish and improve labor rules and regulations in accordance with the law, strictly comply with national standards, and provide relevant training to workers, to ensure that workers enjoy the labor rights and fulfill the labor obligations. To establish a labor relationship between the employing unit and the worker, a written labor contract shall be concluded. Labor contracts consist of fixed-term labor contracts, open-ended labor contracts and labor contracts that expire upon completion of given jobs. The employer shall pay laborers wages no lower than local standards on minimum wages. In addition, the employer shall establish and perfect its system for labor safety and sanitation, strictly abide by State rules and standards on labor safety and sanitation, educate workers in labor safety and sanitation, prevent accidents in the process of labor, and reduce occupational hazards.

### *Social Insurance*

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), which was most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, and the Interim Regulations on the Collection and Payment of Social Insurance Contributions (《社會保險費征繳暫行條例》), which was most recently amended by the State Council on March 24, 2019, and came into effect on the same date, employers must pay social insurance contributions for their employees, including basic old-age insurance, basic medical insurance, unemployment insurance, maternity insurance, and work injury insurance. When an employer fails to pay on time and in full social insurance contributions, the social insurance contributions collecting agency shall compel the employer to pay or replenish the deficiency within the prescribed period. A late payment surcharge of 0.05% per day shall be imposed from the date the payment becomes overdue. If the employer still fails to make the payment after the specified deadline, the relevant administrative department may impose a fine ranging from one to three times the amount in arrears.

### *Housing Provident Fund*

Pursuant to the Regulations on the Administration of the Housing Provident Fund (《住房公積金管理條例》), which was most recently amended by the State Council on March 24, 2019, and came into effect on the same date, employers are required to contribute to the housing provident fund on behalf of their employees. If a unit fails to make or underpays its housing provident fund contributions by the deadline, the Housing Provident Fund Management Center shall order it to make the deposit within a specified period. If the unit still fails to make the deposit after the deadline, the Center may apply to the People's Court for compulsory enforcement.

## LAWS AND REGULATIONS RELATING TO TAX

### *Corporate Income Tax*

Pursuant to the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, enterprises established within China in accordance with the law, or those established under the laws of a foreign country (or region) but with their actual place of management within China, shall be deemed resident enterprises. Resident enterprises shall pay a 25% corporate income tax on their income derived from both within and outside China. Preferential corporate income tax rates apply to any key industries or projects supported or encouraged by the state. High-tech enterprises receiving key state support are eligible for a reduced corporate income tax rate of 15%. According to the Measures for the Administration of Recognition of High-Tech Enterprises (《高新技術企業認定管理辦法》), as most recently amended by the Ministry of Science and Technology, the Ministry of Finance, and the State Taxation Administration on January 29, 2016, and effective on January 1, 2016, the High-Tech Enterprise Certificate is valid for three years.

*Value-Added Tax*

On December 25, 2024, the Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) (the "**VAT Law**"), which will take effect on January 1, 2026. Under the VAT Law, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the People's Republic of China are VAT payers and shall pay VAT in accordance with this Law. Except for taxpayers exporting goods, domestic entities and individuals that sell services or intangible assets across borders within the scope specified by the State Council, and other circumstances prescribed by the State Council, taxpayers that sell goods, provide processing, repair and replacement services, tangible movables leasing services or import goods are subject to a tax rate of 13%. Except for the aforementioned circumstances, taxpayers that sell services or intangible assets are subject to a tax rate of 6%.

Pursuant to the Provisions on Transitional Policies for the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《營業稅改征增值稅試點過渡政策的規定》) of the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改征增值稅試點的通知》(財稅[2016]36號)) issued by the Ministry of Finance and the State Administration of Taxation on March 3, 2016, and effective on May 1, 2016, taxpayers are exempt from value-added tax for the provision of technology transfer, technology development, and related technical consulting and technical services.

### LAWS AND REGULATIONS RELATING TO THE OVERSEAS ISSUANCE OF SECURITIES AND LISTINGS BY DOMESTIC ENTERPRISES

*Securities Laws and Regulations*

Pursuant to the Securities Law of the People's Republic of China (Revised in 2019) (《中華人民共和國證券法(2019年修訂)》), promulgated by the Standing Committee of the National People's Congress on December 28, 2019, and effective on March 1, 2020, activities in China's securities market are comprehensively regulated, including securities issuance and trading, acquisitions of listed companies, securities trading site, securities companies, and the responsibilities of securities regulatory authorities. The Law further stipulates that domestic enterprises issuing securities directly or indirectly overseas or listing securities overseas must comply with relevant provisions of the State Council; the specific measures for the shares of domestic companies subscribed and traded in foreign currencies shall be formulated separately by the State Council. The China Securities Regulatory Commission ("**CSRC**") is the securities regulatory body established by the State Council in accordance with the law, responsible for supervising and managing the securities market, maintaining market order, and ensuring the market operation in accordance with the law. Currently, the issuance and trading of H-shares are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

*Overseas Listings*

On February 17, 2023, the CSRC promulgated several regulations regarding the filing management of domestic enterprises issuing securities and listing overseas, including 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**"), which took effect on March 31, 2023, along with five supporting guidelines (collectively referred to as the Overseas Listing Regulations together with the Overseas Listing Trial Measures). Under the Overseas Listing Regulations, domestic Chinese enterprises wishing to conduct an initial public offering (IPO) and list on overseas markets, either directly or indirectly, must submit the required documents to the CSRC for filing within three business days of submitting their overseas listing application.

On February 24, 2023, the CSRC and three other relevant government departments 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》) (the "**Confidentiality Provisions**"), which took effect on March 31, 2023. Pursuant to the Confidentiality Regulations, a domestic company that provides or publicly disclose to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. Working papers produced in the Chinese mainland by securities companies and securities service providers in the process of undertaking businesses related to overseas offering and listing by domestic companies shall be retained in the Chinese mainland. Where such documents need to be transferred or transmitted to outside the Chinese mainland, relevant approval procedures stipulated by national regulations shall be followed.

## OTHER PROVISIONS — INFORMATION DISCLOSURE

Listed companies shall establish sound information management systems in accordance with the regulatory requirements of securities regulatory authorities, market practices, their own specific circumstances, and the basic requirements for information disclosure by listed companies, including the Measures for the Administration of Information Disclosure by Listed Companies (《上市公司信息披露管理辦法》) recently revised by the CSRC on March 26, 2025, and effective as of July 1, 2025.