

REGULATORY OVERVIEW

This section summaries the main relevant PRC laws, regulations and policies, which are relevant to the operations and development of the Company.

LAWS AND REGULATIONS RELATING TO COMMERCIAL PERFORMANCES

In accordance with the Regulations for the Administration of Commercial Performances (《營業性演出管理條例》), which was promulgated by the State Council on 7 July 2005, and subsequently amended on 22 July 2008, 18 July 2013, 6 February 2016, 29 November 2020, respectively, foreign investors may legally establish performance brokerage agencies within the territory of the PRC. To engage in commercial performance business activities, a performance brokerage agency shall have three or more full-time performance brokers and requisite funds for the relevant business, and shall file an application with the culture administrative department of the people’s government of a province, autonomous region or centrally-administered municipality. The relevant culture administrative department shall make a decision within 20 days from receipt of the application. Upon approval, a commercial performance permit (《營業性演出許可證》) shall be issued. To establish a performance venue operation entity, it shall legally complete registration with the administrative department for industry and commerce to obtain a business licence, and complete approval procedures in accordance with the provisions of relevant laws and administrative regulations. No entity or individual may counterfeit, alter, rent, lend, buy or sell any commercial performance permit, approval document or business licence. Furthermore, if a performance brokerage agency engages in any commercial performance business activity without such permit, the culture administrative department of the people’s government at county level prohibits such behaviour and will confiscate its performance equipment and illegal proceeds, and impose a fine in the range of eight to ten times of its illegal proceeds. Where there are no illegal proceeds or the illegal proceeds are less than RMB10,000, a fine ranging from RMB50,000 to RMB100,000 shall be imposed. In addition, if any entity or individual illegally establishes a performance venue operation entity or engages in commercial performance business activities without authorisation, the administrative department for industry and commerce shall lawfully ban such act and impose penalties.

On 28 August 2009, the then Ministry of Culture of the PRC (currently known as the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部)) promulgated the Implementation Rules to the Administrative Regulations on the Commercial Performance (《營業性演出管理條例實施細則》), which was subsequently amended on 15 December 2017 and 13 May 2022, respectively. The said rules define the commercial performance as on-site cultural and artistic performances to the public for profit-making purposes with methods including but not limited to selling tickets or obtaining sponsors, paying or remunerating performing entities or individuals, using the performances as a medium for promotions or for promoting sales of products and in other profitable forms.

LAWS AND REGULATIONS RELATING TO HOTEL OPERATION

Regulations on Control of Security in the Hotel Industry

According to the Measures for the Control of Security in the Hotel Industry (《旅館業治安管理辦法》), which was promulgated by the State Council on 10 November 1987, subsequently amended on 8 January 2011, 29 November 2020 and 29 March 2022, respectively; and the Decision of the State Council on Establishing Administrative Licence for Necessarily Retained Items Requiring Administrative Examination and Approval (《國務院對確需保留的行政審批項目設定行政許可的決定》) promulgated by the State Council on 29 June 2004, subsequently amended on 29 January 2009 and 25

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August 2016, respectively, anyone who applies to operate a hotel shall obtain a business licence issued by the market regulatory authority and is subject to examination and approval by the local public security authority and must obtain a special industry licence. The Measures for the Control of Security in the Hotel Industry impose certain security control obligations on the hotel operators. For example, the hotel must examine the identification card of any guest to whom accommodation is provided and accurate registration of identity is required. The hotel must also report to the local public security authority if it discovers anyone violating the law or behaving suspiciously or an offender wanted by the public security authority. Pursuant to the Measures for the Control of Security in the Hotel Industry, hotels which fails to obtain the special industry licence may be subject to warnings or fines up to RMB200. If a hotel initiates operation without registration, the public security authorities shall assist the administration for industry and commerce in dealing with the non-registration in accordance with the laws. In addition, pursuant to the Law of the PRC on Penalties for the Violation of Public Security Administration (《中華人民共和國治安管理處罰法》) which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on 28 August 2005 and subsequently amended on 26 October 2012 and 27 June 2025, and various local regulations, hotel operators failing to obtain the special industry licence may be subject to detention and fines. Hotel operators who have obtained the special industry licence but violate applicable administrative regulations may also be subject to revocation of licences in serious circumstances.

Regulations on Food Safety

In accordance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》), with was promulgated by the SCNPC on 28 February 2009 and subsequently amended on 24 April 2015, 29 December 2018, 29 April 2021 and 12 September 2025, and the Implementation Rules of PRC the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》), which promulgated by the State Council on 20 July 2009 and subsequently amended on 11 October 2019, the state sets up a system consisting of the supervision, monitoring and appraisal on the food safety risks, compulsory adoption of food safety standards. To engage in food production, sales or catering services, the business operators shall obtain a licence in accordance with the relevant laws and regulations. Violations of these laws and measures may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension of manufacturing or business operation, confiscation of tools, equipment, food ingredients and other articles used in the illegal food production or trading, and criminal penalties in serious circumstances.

According to the Administrative Measures for Food Operation Licensing and Record-filing (《食品經營許可和備案管理辦法》), which was promulgated by the State Administration for Market Regulation (the “SAMR”) on 15 June 2023 and became effective on 1 December 2023, entities engaging in sales of foods and catering services within the PRC shall obtain a food operation licence which is valid for five years except for certain circumstances. Applications for a food operation licence shall be filed according to food operators’ types of operation and classification of operation projects. Food operators shall display in prominent position their original food operation licences or their electronic certificate at their sites of operation. If any licensing items which are indicated on a food operation licence change, the food operator shall, within 10 business days after the changes take place, applies to the market regulatory authority which has originally issued the licence for alteration of the operation licence. Those who engage in food operation activities but fail to obtain a required food operation licence shall be punished by the local market regulatory authorities at or above the county level according to the relevant provisions of the Food Safety Law of the PRC.

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Regulations on Public Sanitation

The State Council promulgated the Administrative Regulations on Sanitation of Public Places (《公共場所衛生管理條例》) on 1 April 1987 and subsequently amended the regulations 6 February 2016, 23 April 2019 and 6 December 2024, respectively. According to the said regulations, a hotel must obtain a public area hygiene licence before opening for business. Additionally, hotels which fail to obtain a public area hygiene licence may be subject to the following administrative penalties depending on the seriousness of their respective activities: (i) warnings; (ii) fines; (iii) orders to suspend business for rectification; or (iv) revocation of hygiene licence. On 10 March 2011, the National Health and Family Planning Commission (中華人民共和國國家衛生和計劃生育委員會) promulgated the Implementation Rules of the Administrative Regulations on Sanitation of Public Places (《公共場所衛生管理條例實施細則》), which came into force on 1 May 2011 and was subsequently amended on 19 January 2016 and 26 December 2017, respectively, according to which, hotel operators shall establish sanitation management systems and keep records of sanitation management.

Regulation on Fire Control

Pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》) which was promulgated by the SCNPC on 29 April 1998 and last amended on 29 April 2021, where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and any other construction project that is nonconforming as established by the random inspection conducted under the law shall cease to be used. Article 13 of the Fire Control Law of the PRC (《中華人民共和國消防法》) further provides that the constructing entity is obligated to make the safe safety acceptance filing with the competent housing and urban-rural development authorities.

Pursuant to the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on 1 April 2020 and subsequently amended on 21 August 2023, special construction projects that have not passed the fire prevention inspection or have failed to pass the fire prevention inspection are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be stopped.

LAWS AND REGULATIONS RELATING TO LAND

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) which was promulgated by the SCNPC on 25 June 1986 and subsequently amended on 29 August 1988, 29 December 1988, 28 August 2004 and 26 August 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) which was promulgated by the State Council on 27 December 1998 and last amended on 2 July 2021, the state-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other methods prescribed by laws. Parties who have obtained the state-owned land use rights may legally use, profit from and dispose of the state-owned land use rights insofar as the actual use of such rights does not contravene the statutory term of use and scope of intended use.

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According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), which was promulgated by the State Council on 24 November 2014 and subsequently amended on 24 March 2019 and 10 March 2024 which came into effect on 1 May 2024, the real estate registration shall be filed with the real estate registration authorities of the people’s government at or above the county level.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the National People’s Congress on 28 May 2020 and implemented on 1 January 2021, the creation, alteration, alienation, or extinguishment of a property right of the real property that is required by law to be registered becomes effective at the time when it is recorded in the register of real property. The real estate right certificate is the proof of the holder’s entitlement to the real estate.

LAWS AND REGULATIONS RELATING TO LEASING

Pursuant to the Civil Code of the PRC, a leasing agreement generally include clauses such as parties’ names, quantity and uses of the leased goods, term, rent, deadlines and methods for rent payments, the maintenance and repair of the leased goods, etc. The lessee may sublease the leased premises to a third party, with the consent of the lessor.

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

Pursuant to the Civil Air Defense Law of the People’s Republic of China (《中華人民共和國人民防空法》) promulgated by the National People’s Congress on 29 October 1996 and amended on 27 August 2009, and the Management Measures for the Peacetime Development and Utilisation of Civil Air Defense Works (《人民防空工程平時開發利用管理辦法》) promulgated by the National Civil Air Defense Office on 1 November 2001, the peacetime development and utilisation of civil air defense works are subject to a filing and registration system. Upon signing the Lease and Use Contract for Civil Air Defense Works (《人民防空工程租賃使用合同》) with the affiliated entity, the user is required to complete filing and registration with the competent authority for civil air defense at the place where the works are located. However, the Management Measures for the Peacetime Development and Utilisation of civil Air Defense Works (Guo Fang Ren Ban Zi [2001] No. 211) (《人民防空工程平時開發利用管理辦法》) (〔2001〕國人防辦字第211號)) was formally repealed on 27 August 2025 by the Notice on Repealing a Group of Policy Documents (Guo Ren Fang Jian [2005] No. 5) (《關於廢止一批政策文件的通知》) (國人防建〔2025〕5號)) issued by the National Civil Air Defense Office. Under the new provisions, the development and utilisation of civil air defense works no longer require filing and registration with the competent authority for civil air defense, nor the obtainment of a Peacetime Use Certificate for Civil Air Defense Works.

LAWS AND REGULATIONS RELATING TO CONSTRUCTION

Pursuant to the Urban and Rural Planning Law of the People’s Republic of China (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC, became effective from 1 January 2008, and newly amended on 23 April 2019 with effect from the same date; the Construction Law of the People’s Republic of China (《中華人民共和國建築法》) promulgated by the SCNPC, effective from 1 March

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1998, and newly amended on 23 April 2019 with effect from the same date; and the Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated by the State Council, effective from 30 January 2000, and amended on 23 April 2019 with effect from the same date, construction activities carried out within the built-up areas of cities, towns and villages, as well as areas subject to planning control due to urban and rural construction and development needs, must comply with the relevant provisions of the Urban and Rural Planning Law of the People’s Republic of China. For a construction project for which the State-owned land use right is obtained by way of grant, after obtaining the approval, ratification or filing documents for the construction project and signing the contract for the grant of the State-owned land use right, the project owner shall obtain a planning permit for the use of land for construction from the competent urban-rural planning authorities of the people’s government of the city or county. For the construction of buildings, structures, roads, pipelines or other engineering works within a city or town planning area, the project owner or individual shall apply for a construction engineering planning permit from the competent urban-rural planning authorities of the people’s government of the city or county, or from the town people’s government designated by the people’s government of the province, autonomous region or municipality directly under the Central Government. Upon receipt of the completion report of a construction project, the project owner shall organise the relevant entities, including the design, construction and project supervision units, to carry out completion acceptance.

Pursuant to the Regulation on the Administration of the Confirmation and Recordation of Enterprise Investment Projects promulgated by the State Council on 30 November 2016 and effective from 1 February 2017, approval administration is implemented in projects in relation to national security, the national strategic allocation of productive forces, the development of strategic resources, or major public interests. The specific scope of such projects, as well as the approval authorities and terms of reference, shall be governed by the catalogue of investment projects subject to government approval. Recordation administration is implemented in projects other than those aforementioned. Unless otherwise provided by the State Council, projects subject to recordation administration shall be recorded on a territorial basis, and the recordation authorities and their terms of reference shall be determined by the people’s governments of provinces, autonomous regions, municipalities directly under the Central Government and cities with separate development plans.

LAWS AND REGULATIONS RELATING TO LABOUR AND SOCIAL WELFARE

Labour Protection

According to the Labour Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994 and subsequently as amended on 27 August 2009 and 29 December 2018, respectively, enterprises and institutions shall establish and improve their system of labour safety and sanitation, strictly abide by national rules and standards on labour safety, and educate employee in labour safety and sanitation. Matter and issues relating to labour safety and sanitation facilities shall be conducted in accordance with the applicable prescribed national standards. The enterprises and institutions shall provide employees with labour safety and sanitation conditions, which comply with State stipulations.

According to the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on 29 June 2007 and was subsequently amended on 28 December 2012, and the Regulation on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合

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同法實施條例)), which was promulgated by the State Council on 18 September 2008, labour contracts must be executed in writing. Upon meeting of minds after due negotiation, an employer and an employee may execute a fixed-term labour contract, a non-fixed-term labour contract, or a short-term labour contract specifically for certain work assignments. An employer may terminate a labour contract in certain circumstances with conditions insofar as relevant laws and regulations permit. Labour contracts entered into prior to the promulgation of the Labour Contract Law remain valid.

Social Insurance and Housing Fund

As required under the Regulation of Insurance for Labour Injury (《工傷保險條例》) promulgated and implemented by the State Council on 27 April 2003 and amended on 20 December 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) promulgated and implemented by the then Ministry of Labour of the PRC (currently known as the Ministry of Human Resources and Social Security of the PRC) on 14 December 1994, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued by the State Council on 16 July 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on 14 December 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated by the State Council on 22 January 1999, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and implemented on the same day and amended on 24 March 2019 and the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on 28 October 2010 and amended on 29 December 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labour injury insurance and medical insurance, and the employers and employees shall pay social insurance premiums in accordance with laws. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fee computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Fund of the PRC (《住房公積金管理條例》), promulgated by the State Council on 3 April 1999 and was subsequently amended on 24 March 2002 and 24 March 2019, respectively, enterprises must register at the competent housing fund management centre and upon the examination by such housing fund manager centre, these enterprises shall complete procedures for opening an account for the deposit of employees’ housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner. Failure to open housing provident account for employees will result in a fine between RMB10,000 and RMB50,000. Failure to pay housing provident funds will result in a court order that would compel us to settle the unpaid housing provident funds.

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Labour Dispatch

The Labour Contract Law (《勞動合同法》) has been amended to impose stricter requirements on the employment of staff from temporary organisations, who are referred to “dispatched workers” in China. An employing unit may only use dispatched workers for temporary, auxiliary or substitute positions, with a temporary position being one that lasts for a period not exceeding six months. Pursuant to the Interim Provisions on Labour Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security and effective from 1 March 2014, the number of dispatched workers engaged by an employing unit shall not exceed 10 per cent of its total workforce. Where rectification is not carried out within the prescribed time limit, for each 10 per cent exceeding the cap, the employing unit may be subject to a fine of RMB5,000 to RMB10,000 per dispatched worker.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Copyright

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 7 September 1990, and subsequently amended on 27 October 2001, 26 February 2010 and 11 November 2020, respectively, and the Implementation of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which was promulgated on 2 August 2002, and subsequently amended on 30 January 2013, copyright includes the following personal rights and property rights: (1) publication right, i.e., the right to decide whether a work is made public; (2) right of authorship, i.e., the right to be named as author of a work; (3) right of revision, i.e., the right to revise a work or to authorise others to revise a work; (4) right to preserve the integrity of work, i.e., the right to protect a work from distortion or tampering; (5) reproduction right, i.e., the right to reproduce one or more copies of a work by printing, photocopying, rubbing, audio recording, video recording, duplication, photographic reproduction, etc.; (6) distribution right, i.e., the right to provide the original copy or replicas of a work to the public by sale or gift; (7) rental right, i.e., the right to licence the temporary use of the original or copy of audiovisual works and computer software by others for a fee, except where the computer software is not the main subject of lease; (8) exhibition right, i.e., the right to put the original copy or replicas of art works and photographic works on public display; (9) performance right, i.e., the right to put up a public performance of a work and publicly broadcast performance of a work through various means; (10) screening right, i.e., the right to put up a public screening of art works, photographic works, audiovisual works, etc. through technical equipment such as film projector, slide projector, etc.; (11) broadcasting right, i.e., the right to publicly broadcast or transmit a work through cable wireless method, the right to transmit a broadcasting work to the public through a loudspeaker or other tools for transmission of symbols, sounds and images; (12) information network transmission right, i.e., the right to provide a work to the public through cable or wireless method so that the public may have access to the work at their individually selected time and venue; (13) filming right, i.e., the right to produce a work on a medium through film making; (14) adaptation right, i.e., the right to adapt a work, thus creating a new work with originality; (15) translation right, i.e., the right to convert the written text of a work from one language to another language; (16) compilation right, i.e., the right to select or arrange a work or parts of a work for compiling into a new work; and (17) any other rights belong to a copyright holder.

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Under the Copyright Law of the PRC, productions of citizens, legal persons or unincorporated organisations in China, whether published or not, shall enjoy copyright. An individual, legal person or unincorporated organisation named on a work as its author shall be the author of the productions and therefore, have the corresponding rights to the said productions, unless otherwise is proved to the contrary. Authors and other copyright owners may complete the registration of their works with a registration agency recognised by the State copyright authority.

Furthermore, the period of protection of publication rights of works of a legal person or unincorporated organisation and works created in the course of employment in which copyright, except for right of authorship, belongs to a legal person or unincorporated organisation, and the rights within the aforementioned scope of item (5) to item (17) shall be 50 years, and shall expire on the 31st December of the 50th year following the first publication of the production. Where the production is not published within 50 years from completion of the creation of the work, it shall not be protected by the Copyright Law of the PRC. As for audiovisual works, the period of protection of publication rights shall be 50 years, ending on 31st December of the 50th year after the creation of the work; and the rights with the aforementioned scope of item (5) to item (17) shall be 50 years, and shall expire on 31st December of the 50th year following the first publication of the work. Where the work is not published within 50 years from completion of the creation of the work, it shall not be protected by the Copyright Law of the PRC.

Pursuant to Article 14 of the Copyright Law of the People’s Republic of China (as amended in 2020): (i) For a work created by two or more co-authors, the copyright shall be jointly owned by the co-authors. A person who has not participated in the creation of the work shall not be deemed a co-author; (ii) The copyright in a joint work shall be exercised by the co-authors through consensus. Where consensus cannot be reached without justifiable reasons, no party shall prevent the other party(ies) from exercising rights other than the right of transfer, the right to grant exclusive licences to others, and the right to pledge. However, any proceeds so derived shall be reasonably distributed among all co-authors; and (iii) Where a joint work can be used in separate parts, each co-author may enjoy independent copyright in the part that he/she has created, provided that the exercise of such copyright shall not infringe the copyright in the joint work as a whole.

Trademark

Trademarks in the PRC are protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982 and subsequently amended on 22 February 1993, 27 October 2001, 30 August 2013 and 23 April 2019, respectively; respectively, and the Implementing Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Counsel on 3 August 2002 and subsequently amended on 29 April 2014. The trademark bureau under the State Administration for Industry and Commerce–124–of the PRC (中華人民共和國國家工商行政管理總局) are responsible for trademark registration and authorising registered trademarks for a validity period of 10 years. Trademark registrants may apply for renewal of registration, and the validity of a renewed registered trademark shall be valid for another 10 years. For trademarks, the Trademark Law of the PRC adopts the principle of “prior application” while handling trademark registration. Where a trademark under registration application is identical with or similar to the trademark of another party that has, in respect of the same or similar goods or services, been registered or, after examination, preliminarily approved, the application for trademark registration shall

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be rejected. Anyone who applies for trademark registration shall not impair any existing prior right of anyone else, or forestall others in registering a trademark by improper means which others have already begun to use and enjoyed certain impact.

Patent

The Patent Law of the People’s Republic of China (《中華人民共和國專利法》) was promulgated by the SCNPC on 12 March 1984 and last amended on 17 October 2020, taking effect on 1 June 2021. The Detailed Rules for the 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》) were promulgated by the State Council on 15 June 2001 and last amended on 11 December 2023. Pursuant to the two legislation, there are three types of patents, namely invention, utility model and design. The term of an invention patent, a utility model patent and a design patent is 20 years, 10 years, and 15 years respectively, all calculated from the date of filing. The patent system in China operates on a “first-to-file” principle, which means that if two or more persons file patent applications for the same invention, the patent shall be granted to the person who files the application first. To be granted patent rights, an invention or utility model must satisfy three conditions, namely novelty, inventiveness and practical applicability.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

In accordance with each of the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated on 26 December 1989 and subsequently amended on 24 April 2014 by the SCNPC, the Law on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) promulgated on 30 October 1995 and subsequently amended on 29 April 2020 by the SCNPC, and the Law on the Prevention and Control of Environmental Noise Pollution (《中華人民共和國噪聲污染防治法》) promulgated by the SCNPC on 24 December 2021, enterprises, public institutions and other producers and operators that discharge pollutants shall adopt measures to control environmental pollution and harm resulting from dust, solid waste materials, noise and vibration at construction sites.

Entities may be subject to various regulatory measures or penalties for breach of environmental protection laws in accordance with the extent of the pollution and the circumstances of the breach, which include warnings, fines, and remedial actions within prescribed timelines, suspension or cessation of operations. Entities in breach will also be liable to indemnify entities who have suffered losses as a result of the pollution.

Pursuant to the Law of the People’s Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) recently amended by the SCNPC on 29 December 2018 and implemented on the same day, the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) newly amended on 16 July 2017 and implemented on 1 October 2017, and the Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection on 20 November 2017 and implemented on the same day, a system of environmental impact assessment for construction projects is implemented within the territory of China. The project owner shall submit for approval an environmental impact report or an environmental impact statement before the commencement of the construction project, or file an environmental impact registration form for recordation in accordance with the provisions of the competent administrative department of environmental protection under the State Council. Furthermore,

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upon completion of a construction project for which an environmental impact report or an environmental impact statement was prepared, the project owner shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance checks on the environmental protection facilities installed as part of the project and prepare an acceptance report.

LAWS AND REGULATIONS ON CYBERSECURITY, PERSONAL INFORMATION PROTECTION AND DATA SECURITY

In respect of network operation security, the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC On 7 November 2016, took effect on 1 June 2017, and was subsequently amended on 28 October 2025, requires network operators (including Internet information service providers) to take technical measures and other necessary measures in accordance with the provisions of laws and regulations and the compulsory requirements of national standards to ensure the safe and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data. With regard to the protection of critical information infrastructures, the Cybersecurity Law of the PRC establishes the basic principle that critical information infrastructures require additional protection and, on that basis, puts forward national security examination requirements for the procurement of network products and services by operators of critical information infrastructures that may have an impact on national security, and clarifies the principle requirement that personal information and important data collected and generated by operators of critical information infrastructures within China should be stored within the country, and that when travelling abroad due to business needs, they need to pass a data cross-border transfer security assessment. With regard to the protection of personal information, the Cybersecurity Law of the PRC sets out the basic principles and provisions for the protection of personal information, such as the requirements relating to the collection, use, processing, storage and disclosure of personal information, and network operators shall take technical and other necessary measures to ensure the safety of personal information collected and to prevent the leakage, destruction or loss of personal information.

On 10 June 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which became effective on 1 September 2021. The Data Security Law of the PRC establishes a data protection system based on data types and security levels, in accordance with the importance of data for economic and social development and the degree of harm caused to national security, public interests, or the legitimate rights and interests of individuals and organisations in the event that the data is tampered with, destroyed, leaked, or illegally obtained or illegally used. With regard to data types, the Data Security Law of the PRC specifies the obligations of important data processors, and important data processors shall specify the person in charge of data security and set up a management organisation in charge of data security, and relevant data processors shall carry out regular risk assessments of their data processing activities and submit the assessment reports to the relevant regulatory authorities. With regard to data flows, the Data Security Law of the PRC includes the cross-border transfer of important data by data processors other than operators of critical information infrastructures in the special regulatory procedures for the cross-border transfer of data, and restricts the unauthorised provision of data stored in China to judicial or law enforcement agencies outside the country. Data that are controlled items and related to the safeguarding of national security, interests and the fulfilment of international obligations are subject to China’s export controls. The Data Security Law of the PRC further emphasises and stipulates that the state establishes a data security review system to

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conduct national security reviews of data processing activities that affect or may affect national security. The Data Security Law of the PRC stipulates that violations of the Data Security Law of the PRC may result in relevant entities or individuals being subject to warnings, fines, suspension of business for rectification, revocation of permits or business licences, and/or even being pursued for criminal liability.

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which came into effect on 1 November 2021. The Personal Information Protection Law of the PRC aims to protect the rights and interests of personal information, regulate the processing of personal information, and promote the rational use of personal information. The Personal Information Protection Law of the PRC establishes a comprehensive system of rules for the processing of personal information, including that the processing of personal information shall have a clear and reasonable purpose, that the processing of sensitive information is subject to additional protection, that the preservation, deletion, disclosure and automated decision-making of personal information should comply with special rules, and that processors of personal information should have appropriate organisational, institutional and technical measures in place. The Personal Information Protection Law of the PRC provides four compliance approaches for the cross-border transfer of personal information, namely, passing the data cross-border transfer security assessment organised by the Cyberspace Administration of China (中央網絡安全和信息化委員會辦公室) (the “CAC”), signing and filing a Standard Contract for the Cross-border Transfer of Personal Information (個人信息出境標準合同) applying for Personal Information Protection Certification (個人信息保護認證), and complying with international treaties or agreements concluded by China or to which it is a party. Processing of personal information in violation of the provisions of the Personal Information Protection Law of the PRC or failure to comply with the relevant personal information protection obligations will result in the relevant entity being subject to warnings, fines, suspension of business for rectification, revocation of business permits and business licences, and/or even being pursued for criminal liability.

On 30 July 2021, the State Council promulgated the Regulations for Security Protection of Critical Information Infrastructure, (《關鍵信息基礎設施安全保護條例》) which came into effect on 1 September 2021. Pursuant to the Regulations for Security Protection of Critical Information Infrastructure, critical information infrastructure means any of important network facilities and information systems in important industries and fields, such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, and science, technology and industry for national defence, that may seriously endanger national security, national economy and people’s livelihood, and public interests in case of destruction, loss of function or leak of data. The Regulations for Security Protection of Critical Information Infrastructure stipulates that the aforementioned competent authorities and supervision and administration authorities of important industries and fields are the authorities responsible for critical information infrastructure security protection. Such agencies shall be responsible for organising the determination of critical information infrastructure in the industry and field concerned according to the determination rules, and inform the operators of the determination results in a timely manner and notify the public security department under the State Council of the same. An operator shall assume strict operator responsibilities after being recognised as a critical information infrastructure operator.

On 24 September 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “Regulation on Cyber Data Security”) was published by the State Council, which came into effect on 1 January 2025. The Regulation on Cyber Data Security stipulate the general regulations for cyber data processing activities, rules of personal information protection, important data security

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protection, network data cross-border transfer management, and the responsibilities of internet platform service providers. According to the Regulation on Cyber Data Security, cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations.

On 28 December 2021, a number of departments, including the Ministry of State Security, jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on 15 February 2022. The Cybersecurity Review Measures stipulate that critical information infrastructure operators procuring network products and services and network platform operators conducting data processing activities that influence or may influence national security should be subject to rigorous cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室) set up by the CAC. In addition, network platform operators holding the personal information of more than 1 million users and newly listing on foreign markets must report for cybersecurity review with the said Cybersecurity Review Office. If network products and services or data-processing activities affect or may affect national security, the Network Security Review Office, after reporting to the Central Cyberspace Affairs Commission for approval, may conduct a cybersecurity review in accordance with the provisions of the Cybersecurity Review Measures. Pursuant to the Cybersecurity Review Measures, any violation is subject to penalties under the Cybersecurity Law and the Data Security Law, including government enforcement actions and investigations, fines, penalties, and suspension of non-compliant operations.

On 7 July 2022, the CAC issued the Security Assessment Measures for Outbound Data Transfer (《數據出境安全評估辦法》), which took effect on 1 September 2022, clearly stipulating the regulations and procedures for conducting outbound data transfer security assessment for important data and personal information collected and generated within China’s territory. On 22 February 2023, the CAC released the Measures on the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which took effect on 1 June 2023, clearly stipulating that personal information processors shall meet certain conditions when conducting the outbound transfer of personal information by entering into standard contracts, and shall file the executed standard contracts with the local CAC at the provincial level. On 22 March 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the “**Promoting Provisions**”), further adjusting the scope, exemption conditions and procedures applicable to outbound data transfer security assessment and the filing mechanism of standard contracts for the outbound transfer of personal information. Collectively, these regulations have established China’s fundamental regulatory architecture for cross-border data transfers. In accordance with the aforementioned measures and regulations, where a data processor outbound transfers data, the data processor shall apply to the CAC for outbound data transfer security assessment through the local CAC at the provincial level when any of the following conditions are met: (1) a CIIO provides personal information or important data overseas; (2) a data processor other than a CIIO provides important data overseas, or has provided personal information of more than 1 million people (excluding sensitive personal information) or more than 10,000 sensitive personal information overseas since January 1 of the current year, unless the exemption circumstances stipulated in Articles 3 to 6 of the Promoting Provisions are met.

COMPANY LAW AND LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Companies established and operating in the PRC shall be subject to Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the SCNPC on 29 December 1993 and subsequently amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013 and

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26 October 2018 respectively, and was latest revised on 29 December 2023 and came into effect on 1 July 2024. Pursuant to the Company Law, companies are classified into two categories, namely limited liability companies and companies limited by shares. The Company Law provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in the PRC, unless otherwise provided in the PRC foreign investment laws.

On 15 March 2019, the National People’s Congress approved the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the “**FIL**”), and on 26 December 2019, the State Council issued the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), the FIL embodies a predictable PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the PRC’s corporate legal requirements for both foreign and domestic invested enterprises. The FIL establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition.

On 30 December 2019, the MOFCOM and the **SAMR** issued the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which became effective on 1 January 2020. According to the Measures on Reporting of Foreign Investment Information, foreign investors or foreign investment enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System. Foreign investment enterprises shall also submit the annual report for the preceding year during 1 January to 30 June annually through the National Enterprise Credit Information Publicity System.

The Catalogue of Industries for Encouraged Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the “Encouraging Catalogue”) was jointly promulgated by the National Development and Reform Commission and the MOFCOM on 26 October 2022. And it came into effect on 1 January 2023. The Encouraging Catalogue and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”), which was effective on 1 November 2024, categorises the industries into three categories, including “encouraged”, “restricted”, and “prohibited”. Foreign investment in areas not listed in the 2024 Negative List is permitted and treated equally with domestic investment. The Encouraging Catalogue and the 2024 Negative List are subject to review and update by the PRC Government from time to time.

LAWS AND REGULATIONS RELATING TO DIVIDEND DISTRIBUTIONS

Pursuant to the Company Law, a company established in PRC must accrue 10% of its after-tax profit based on PRC accounting standards each year as its statutory reserves. The company may stop such accrual if its cumulative total reserve funds reach 50% of its registered capital. These reserve funds, however, may not be distributed as cash dividends. In addition, pursuant to the FIL, foreign investors, according to the present PRC Law, may freely remit into or out of the PRC, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of PRC.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income(《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed by the PRC

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Government and the Government of the Hong Kong Special Administrative Region on 21 August 2006, the PRC Government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) issued by the State Taxation Administration (the “STA”) and became effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on 14 October 2019, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), promulgated by the SCNPC on 16 March 2007 and became effective from 1 January 2008 and newly amended on 29 December 2018, and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on 6 December 2007 and subsequently amended on 6 December 2024, enterprises are classified as either “resident enterprises” or “non-resident enterprises”. The “resident enterprises” are defined as enterprises set up in the PRC under the PRC laws or set up according to the foreign country/region’s laws whereas whose actual or de facto control is administered from within the PRC. Enterprises established under the foreign country/region’s laws with “de facto management bodies” outside the PRC, but have set up institutions or establishments in the PRC, or without institutions or establishments set up in the PRC, have income originating from the PRC, shall be considered as “non-resident enterprises”. A resident enterprise shall pay Enterprise Income Tax (“EIT”) on its income originating from both inside and outside the PRC at an EIT rate of 25%.

Value-Added Tax

Under 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”) promulgated by the SCNPC on 25 December 2024 and effective from 1 January 2026, and the Regulation on the Implementation of the Value-Added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法實施條例》) promulgated by the State Council on 25 December 2025 and effective from 1 January 2026, any unit or individual that sells goods, services, intangible

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assets or immovable property within the territory of China, or imports goods, is a taxpayer of value-added tax (VAT) and shall pay VAT in accordance with the provisions of the VAT Law. The VAT rates, generally at 13%, 9%, 6% and 0%, apply depending on the type of transaction. In addition, the collection rate applicable to the simplified method for calculating and paying VAT is 3%.

Pursuant to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《關於全面推開營業稅改徵增值稅試點的通知》) promulgated by the Ministry of Finance and the State Administration of Taxation on 23 March 2016 and effective from 1 May 2016, the national pilot program of replacing business tax with value-added tax was fully implemented from 1 May 2016. Where a general taxpayer leases immovable property acquired before 30 April 2016, it may elect to apply the simplified tax calculation method and compute the tax payable at a collection rate of 5%.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the Administrative Regulations of the PRC on Foreign Exchange (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Administrative Regulations**”), which was promulgated by the State Council on 29 January 1996 and subsequently amended on 5 August 2008, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but is not freely convertible for capital account items, such as direct investment or engaging in the issuance or trading of negotiable securities or derivatives unless the prior approval by the competent authorities for the administration of foreign exchange is obtained. In accordance with the Foreign Exchange Administrative Regulations, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of the SAFE for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, etc.), or for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by the SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or filings with the relevant government authorities (if necessary).

According to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (Hui Fa [2015] No.13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (匯發[2015]13號) (the “**Circular 13**”), which was promulgated by the SAFE on 13 February 2015 and came into effect on 1 June 2015 and was partially repealed on 30 December 2019, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment are directly reviewed and handled by banks in accordance with the Circular 13. The SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**Circular 19**”), promulgated by SAFE on 30 March 2015, and became effective on 1 June 2015, partially repealed on 30 December 2019 and subsequently amended on 23 March 2023, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement (the “**Discretionary Foreign Exchange Settlement**”). The Discretionary Foreign

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Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the entry registration of monetary contribution by the banks) may be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretionary Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in the designated account. If a foreign-invested enterprise needs to make a payment from such assigned accounts, the banks shall assume authenticity examination responsibilities for handling the payment of RMB funds obtained from the external payment of capital funds and foreign exchange settlement for foreign-invested enterprises. Banks shall, when handling each fund payment, examine the authenticity and regulatory compliance of the certification materials on the previous payment.

Pursuant to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (Hui fa [2016] No.16) (《關於改革和規範資本項目結匯管理政策的通知》) (匯發[2016]16號) (the “**Circular 16**”), promulgated by SAFE on 9 June 2016, and became effective simultaneously and subsequently amended on 4 December 2023, enterprises registered in the PRC (including PRC funded enterprises and foreign-invested enterprises, excluding financial institutions) may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The Circular 16 provides an integrated standard for converting foreign exchange under capital account items (including but not limited to foreign exchange capital and foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested 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.

In accordance with the Circular on Further Promoting Cross-border Trade and Investment Facilitation (Hui Fa [2019] No. 28) (《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》) (匯發[2019]28號), which was issued and came into effect on 23 October 2019 by the SAFE and amended on 4 December 2023, foreign-invested enterprises engaged in non-investment business are permitted to use capital to make domestic equity investments according to laws and regulations under the condition that the current Special Administrative Measures for Foreign Investment Access (Negative List) are not violated and the relevant domestic investment projects are true and compliant.

According to the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was issued and came into effect on 4 December 2023 by the SAFE, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilised.

Pursuant to the Notice of Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) promulgated by the People’s Bank of China and the State Administration of Foreign Exchange on 24 December 2025 and effective on 1 April 2026, the foreign exchange administration provisions applicable to domestic joint

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stock companies limited incorporated in China and listed overseas (“Domestic Companies”) are as follows: (i) The State Administration of Foreign Exchange and its branches and foreign exchange administration departments shall supervise, administer and inspect the conduct of Domestic Companies in respect of business registration, account opening and use, cross-border receipts and payments, and currency conversion and remittance arising from overseas listings. (ii) A Domestic Company shall, within 30 working days from the date of completion of its overseas listing and issuance, lodge the relevant documents with the foreign exchange administration bureau at its place of registration for the registration of the overseas listing. (iii) A Domestic Company (other than a banking financial institution) shall, with its overseas listing business registration certificate and for the purposes of its initial public offering (or follow-on offering) and share buy-back, open a designated foreign exchange account for overseas listing of the Domestic Company with a domestic bank to carry out the currency conversion and transfer of funds for the relevant transactions.

LAWS AND REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

On 17 February 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “CSRC”) promulgated 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 “**Trial Measures**”) and relevant five guidelines, which came into force on 31 March 2023

According to the Trial Measures, (i) PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfil the filing procedure and submit relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) domestic companies that seek to offer or list securities overseas directly means that PRC companies limited by shares offer or list securities in overseas securities markets; and (iii) any PRC company limited by shares seeking to list overseas are required to file with the CSRC within three business days after its application for overseas listing is submitted. Failure to complete the filing under the Trial Measures may subject a PRC domestic company to rectification ordered by the CSRC, warning, and fine from RMB1.0 million to RMB10 million.

In addition to the above, PRC domestic companies seeking overseas offering and listing shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC Government on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. The Trial Measures also provide the circumstances where the overseas offering and listing are explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by specific PRC laws and regulations; (ii) that constitute threat to or endanger national security; (iii) the PRC domestic company, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company is currently under investigations for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that controlled by the controlling shareholder(s) and/or the actual controller.

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On 24 February 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which came into force on 31 March 2023. According to the Provision on Confidentiality, where any 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 entities, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing.