OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business and operations. This section sets out a summary of relevant laws and regulations that may have material impact on our business activities and operations.

LAWS AND REGULATIONS ON ARTIFICIAL INTELLIGENCE

Cyberspace Administration of the PRC

On December 31, 2021, the Cyberspace Administration of the PRC (中華人民共和國國家互聯網信息辦公室) (the "**CAC**") and three other departments jointly issued the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》), which came into effect on March 1, 2022. These Provisions apply to enterprises (referred to as algorithm-recommended service providers) that use generation and synthesis, personalized push, selection sort, search filtering, scheduling decision, and other algorithm technologies to provide information to users. According to these Provisions, an algorithm-recommended service provider shall implement its primary responsibility for algorithm security, shall regularly review, assess, and verify algorithm mechanisms and mechanics, models, data, and application results, among others, shall not set up algorithm models which induce users to indulge or engage in over-consumption, or otherwise violate laws, regulations, or ethics, and shall strengthen information security management.

Provisions on the Administration of Deep Synthesis of Internet-Based Information Services

On November 25, 2022, the CAC and two other departments jointly issued the Provisions on the Administration of Deep Synthesis of Internet-Based Information Services (《互聯網信息服務深度合成管理規定》), which came into effect on January 10, 2023. These Provisions impose obligations on deep synthesis service providers, technical supporters, and users, including verifying users' real identities, implementing data security and personal information protection measures, strengthening the management of deep synthesis content, and labeling information content that is generated or edited using deep synthesis technologies. Deep synthesis service providers with public opinion attributes or the capacity for social mobilization shall, in accordance with the Provisions on the Administration of Algorithm- generated Recommendations for Internet Information Services, complete the filing procedures for their deep synthesis service algorithms, as well as procedures for changes and deregistration of such filings. Technical supporters of deep synthesis services shall follow these Provisions when performing filing, change, and deregistration procedures by reference. Where deep synthesis service providers develop and launch new products, applications, or features that possess public opinion attributes or the capacity for social mobilization, they shall carry out security assessments in accordance with relevant national regulations.

Interim Measures for the Administration of Generative Artificial Intelligence Services

On July 10, 2023, the CAC and six other departments jointly issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "**AIGC Administration Measures**"), which came into effect on August 15, 2023. With respect to the scope of application, the AIGC Administration Measures apply to services that use generative AI technology to provide content such as text, images, audio, or video to the public within the territory of the People's Republic of China. In terms of governance mechanisms, the AIGC Administration Measures specify that generative AI service providers shall, in accordance with the law, carry out data processing activities such as pre-training and fine-tuning using data and foundational models with lawful sources. Where intellectual property rights are involved, the intellectual property rights enjoyed by others in accordance with the law shall not be infringed. Where personal information is involved, providers shall obtain the individual's consent or comply with other conditions as stipulated by laws and administrative regulations. Providers shall take effective measures to improve the quality of training data and enhance its authenticity, accuracy, objectivity, and diversity; establish annotation rules, conduct quality assessments of data labeling, and provide training to labeling personnel. With regard to the regulation of generative AI services, the AIGC Administration Measures require generative AI service providers to take effective measures to prevent underage users from becoming overly dependent on or addicted to generative AI services; to lawfully assume the responsibilities of personal information processors; and to fulfill obligations to protect the input information and usage records of generative AI service users. Providers shall promptly accept and handle individuals' requests to access, copy, correct, supplement, or delete their personal information. Providers shall label generated content such as images and videos in accordance with the Provisions on the Administration of Deep Synthesis of Internet-Based Information Services. Upon discovering illegal content, providers shall promptly take measures such as ceasing generation, halting transmission, or removal, and take corrective measures such as model optimization training. If a provider discovers that a user is using generative AI services to engage in illegal activities, it shall take relevant measures in accordance with the law and contractual agreements, retain relevant records, and report the matter to the competent authorities. Providers shall also establish and improve mechanisms for complaints and whistleblowing.

Measures for the Identification of AI-Generated and Synthesized Content

On March 7, 2025, the CAC and three other departments jointly issued the Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》) (the "**Identification Measures**"), which came into effect on September 1, 2025. According to the Identification Measures, internet information service providers engaging in the identification of AI-generated and synthesized content that falls within the scope of the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services, the Provisions on the Administration of Deep Synthesis of Internet- Based Information Services, or the AIGC Administration Measures shall be subject to these Measures. The Identification Measures specify that service providers shall add explicit identification to AI-generated and synthesized content such as text, audio, images, video, and virtual scenes. When providing functions such as downloading, copying, or exporting such content, providers shall ensure that the files contain the required explicit identification. In addition, implicit identification shall be embedded in the metadata of files containing AI-generated and synthesized content. The implicit identification shall include information on the attributes of the content, the name or code of the service provider, the content identification number, and other production-related elements. Service providers shall also specify in their user service agreements the methods, formats, and standards for identification of AI-generated and synthesized content, and shall remind users to carefully read and understand the relevant identification management requirements.

REGULATIONS ON DATA SECURITY AND PRIVACY PROTECTION

Data Security

The PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorised disclosure. The Decisions on Protection of Internet Security enacted by the Standing Committee of the National People's Congress ("**SCNPC**") (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) in 2000, as amended on August 27, 2009, provides that, among other things, the following activities conducted through the internet, if constituted a crime according to PRC laws, are subject to criminal punishment: (i) intrusion into a strategically significant computer or system; (ii) intentionally inventing and disseminating destructive programmes, such as computer viruses, to attack the computer system and the communications network, thereby damaging the computer system and the communications networks; (iii) violating national regulations, suspending the computer networks or the communication services without authorization, causing the computer network or communication system to fail to operate normally; (iv) leaking state secrets; (v) spreading false commercial information; or (vi) infringing intellectual property rights through internet.

Under the Administrative Measures for the Multi-level Protection of Information Security (信息安全等級保護管理辦法) (the "**Measures for the Multi-level Protection**"), which was jointly promulgated by the MPS and some other government authorities of the People's Republic of China on June 22, 2007 and took effect on the same date, the national multi-level protection of information security shall adhere to the principle of "independent grading and independent protection". Companies operating information systems should determine the security protection level of the information system in accordance with the Measures for the Multi-level Protection and the Guidelines for Grading of Classified Protection of Cybersecurity (網絡安全等級保護定級指南) (the "**Guidelines for Grading**"), and submit the determined level to the relevant department for examination and approval. According to the Measures for the Multi-level Protection and the Guidelines for Grading, the security protection of an information system can be classified into five levels. For any system whose level is determined to be level II or above in accordance with these measures, a record-filing with the competent authority is necessary.

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

Amended on October 28, 2025, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") and become effective as of January 1, 2026, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organisations and individuals carrying out data activities and implementing data security protection responsibility.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China, and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). The opinions emphasised the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and improve the legislation on data security, cross-border data transmission and confidential information management.

On September 24, 2024, the State Council announced the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "**Cyber Data Security Regulations**"), which became effective on January 1, 2025. It regulates that Cyber data processors who carry out Cyber data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant state regulations. In addition, the Cyber Data Security Regulations also regulate other specific requirements in respect of the data processing activities conducted by Cyber data processors in the view of personal data protection, important data safety, cyber data cross-border safety management and obligations of network platform service providers.

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

On July 7, 2022, the CAC has promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or providing personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall apply for cross-border data transfer security assessment. On 31 December 2021, the CAC, the Ministry of Industry and Information Technology of the PRC (the "**MIIT**"), the Ministry of Public Security, the SAMR jointly promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》), which came into effect on 1 March 2022. The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation implements classification and hierarchical management for algorithm recommendation service providers based on various criteria. Moreover, it requires algorithmic recommendation service providers to provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services. If the users choose to cancel the algorithm recommendation service, the algorithm recommendation service provider must immediately stop providing relevant services. Algorithmic recommendation service providers must also provide users with the function to select or delete user labels that are based on personal characteristics and used for algorithmic recommendation services.

Privacy Protection

Pursuant to the PRC Civil Code, personal information of a natural person shall be protected by the law. Any organisation or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide, or make public personal information of others.

On August 20, 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》) (the "**Personal Information Protection Law**") and became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that should be notified as required by laws and administrative regulations. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorised access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conducting safety education and training for practitioners; (v) formulating and organising the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

REGULATIONS RELATED TO TENDERING AND BIDDING

The Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) promulgated by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on August 30, 1999 and last amended on December 27, 2017, and the Regulation on the Implementation of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) promulgated by the State Council on December 20, 2011, and last amended on March 2, 2019. As required by the two aforementioned regulations, the tenderer shall not restrict or reject any potential bidder on the unreasonable grounds, or discriminate against any potential bidder. The tendering documents shall not require or indicate any specific supplier or include any other contents that tend to favor or reject potential bidders. The bidder shall prepare its bidding documents according to the requirements of tendering documents, and shall not collude with other bidders or the tenderer, exclude the fair competition of other bidders, as well as cause any harm to national interests, social public interests or the legitimate rights and interests of others. Any violation of the Tendering and Bidding Law of the PRC may invalidate the awarded project of the successful bidder, and the competent authority has the right to impose administrative penalties such as ordering corrections within a time limit, fines, and confiscation of illegal gains.

REGULATIONS ON LEASING

According to the PRC Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

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

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by SCNPC on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, later amended on April 29, 2014 and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC, which was latest amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

Pursuant to the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and latest amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and latest amended on July 1, 2004, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC, which was latest amended in October 2020 and became effective on June 1, 2021, and its Implementation Rule, patent is divided in to three categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and 10 years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain Names

According to the Measures for the Administration of 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 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Registration (《國家頂級域名註冊實施細則》) issued by the China Internet Network Information Center on June 18, 2019 (effective from the same date), domain name holders shall register their domain names. The Ministry of Industry and Information Technology conducts the supervision and management of internet domain names in China, while telecommunications authorities in various provinces, autonomous regions, and municipalities directly under the Central Government supervise and manage domain name services within their administrative regions. In principle, domain name registration follows the "first application, first registration" policy. Applicants shall provide accurate information to the domain registration service provider and establish a registration agreement with it. Upon completing the registration process, the applicant becomes the domain name holder.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which became effective on January 1, 2008, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers". Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

REGULATIONS ON TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended in December 2024, collectively referred to as the EIT Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and became effective on January 1, 2026, and the Implementation Regulations 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》), which was formulated by the State Council, last promulgated on December 25, 2025 and effective from January 1, 2026, entities and individuals engaging in selling goods, services, intangible assets and immovable properties within the territory of the PRC, as well as the importation of goods, are taxpayers of value-added tax and shall pay value-added tax in accordance with the provisions of the law.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Announcement on Value-added Tax and Consumption Tax Policies for Export Business (《關於出口業務增值稅和消費稅政策的公告》) promulgated by the Ministry of Finance and the State Taxation Administration on January 30, 2026, export goods, cross-border sales of services and intangible assets that satisfy the prescribed conditions are eligible for value-added tax and consumption tax exemption and refund policies. The announcement further sets out the applicable scope, tax exemption and refund methods, administration requirements and relevant procedures for export tax refund and exemption, and provides that the applicable export tax refund rates shall be implemented in accordance with relevant tax regulations and catalogues promulgated by the competent tax authorities.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law of the PRC, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS ON FOREIGN INVESTMENT

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign-funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity; it is not allowed to require the submission again of any investment information that can be obtained by interdepartmental information sharing. For foreign investment enterprises investing in China and establishing an enterprise (including multi-level investment), upon completion of registration filing and submission of annual report information to the market regulatory authorities, the relevant information shall be forwarded by the market regulatory authorities to the commerce administrative authorities, and these enterprises are not required to submit separately.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2025 edition) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Catalogue**")), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**")), amended on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce of the PRC (the "**MOFCOM**"). According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments.

On December 30, 2019, the Ministry of Commerce and the State Administration for Market Regulation jointly issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the "**Reporting Measures**"), which became effective on January 1, 2020. The Reporting Measures regulate the reporting of information related to foreign investment activities within China. According to the Reporting Measures, foreign investors and foreign-invested enterprises conducting investment activities within China, either directly or indirectly, are required to submit investment information to the competent commercial authorities through initial reports, change reports, deregistration reports, and annual reports.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

REGULATIONS ON FOREIGN EXCHANGE

Regulations relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

Pursuant to the Notice of the People's Bank of China and SAFE on Issues Relating to the Management of Funds of Overseas Listings by Domestic Enterprises (《中國人民銀行國家外匯管理局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 SAFE on December 24,2025 and became effective on April 1, 2026, domestic enterprises conducting overseas listings shall, within 30 working days from the date of the first trading day of the overseas listing or the completion date of any over-allotment, apply to a bank within the province-level region or municipality with independent planning status where such enterprise is registered for overseas listing registration by submitting the required application materials. Proceeds raised by domestic enterprises through overseas listings shall, in principle, be remitted back to China in a timely manner. Where such proceeds are retained offshore for outbound direct investments, offshore securities investments, offshore lending or other related businesses, the domestic enterprise shall obtain approvals or filing documents from the competent authorities prior to the completion of the overseas offering or any over-allotment, and shall comply with the relevant cross-border fund management regulations.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》), issued by SAFE on April 3, 2024 and became effective on May 6, 2024, in principle, the proceeds raised by domestic companies through overseas listings shall be remitted back to China in a timely manner, either in Renminbi or in foreign currency. The use of such proceeds shall be consistent with the relevant contents as disclosed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' general meeting, and other public disclosures. If domestic companies use overseas listing proceeds to conduct outbound direct investments, offshore securities investments, offshore lending, or other related activities, they must comply with the relevant foreign exchange regulations.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), which was amended on December 4, 2023, among other things, amends certain provisions of SAFE Circular 19. 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 October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《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》), which was amended on December 4, 2023, or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are issued regulations.

REGULATIONS RELATING TO STOCK INCENTIVE PLANS

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**SAFE Circular 7**"), promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on 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**") together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS RELATING TO "FULL CIRCULATION" OF SHARES

The Company shall comply with regulations on the H share "full circulation" to converse its domestic shares into H shares and **[REDACTED]** on the Hong Kong Stock Exchange. Pursuant to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請"全流通"業務指引(2023

修正)》), or the Guidelines for the "Full Circulation", promulgated and implemented by the CSRC on November 14, 2019 and revised on August 10, 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

According to the Overseas Listing Trial Measures, "Full Circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into foreign listed shares circulating in overseas markets. The shareholders of domestic unlisted shares shall authorize the domestic company to file the "Full Circulation" application with CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the NPC Standing Committee on September 2, 1993, effective from December 1, 1993 and most recently amended on 27 June 2025, unfair competition means that in its production or operation activity, a business operator disrupts the order of market competition and causes damage to the lawful rights and interests of other business operators or consumers, in violation of the Anti-unfair Competition Law of the PRC. Pursuant to the Anti-unfair Competition Law of the PRC, business operators shall follow the principles of voluntariness, equality, fairness, and good faith in market transactions, and abide by laws and commercial ethics. Business operators violating the Anti-unfair Competition Law of the PRC shall bear corresponding civil liability, administrative liability or criminal liability depending on the specific circumstances.

On February 7, 2021, the Anti-monopoly Commission of the State Council of the PRC issued the Guidelines of the Anti-monopoly Commission of the State Council for Anti-monopoly in the Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》) (the "**Anti-monopoly Guidelines**"), which outline certain behaviors that may, if without justifiable reasons, constitute an abuse of dominant market position.

On May 6, 2024, the State Administration for Market Regulation promulgated the Interim Provisions on Anti-unfair Competition on Internet (《網絡反不正當競爭暫行規定》), which took effect on September 1, 2024. These Provisions provide a regulatory basis for preventing and deterring unfair competition practices on the internet, maintaining the market order of fair competition, encouraging innovation, protecting the legitimate rights and interests of operators and consumers, and promoting the regulated, sustained, and healthy development of the digital economy.

According to the Anti-monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-monopoly Law**"), revised by the NPC Standing Committee on June 24, 2022 and implemented on August 1, 2022, the Anti-monopoly Law applies to monopolistic conduct within China's economic activities, as well as monopolistic conduct outside China that has an exclusionary or restrictive impact on competition in the domestic market. Monopolistic conduct prescribed by the Anti-monopoly Law includes monopoly agreements reached between business operators, abuse of dominant market position by business operators, and concentration of business operators that have or may have the effect of eliminating or restricting market competition.

On January 22, 2024, the State Council issued the Provisions of the State Council on Thresholds for Prior Notification of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》), which further clarify the factors to be considered in determining whether an enterprise has acquired control over another enterprise or may exert a decisive influence on another enterprise.

LAWS AND REGULATIONS ON ADVERTISING BUSINESS

Advertising activities in the PRC shall be subject to the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "**Advertising Law**") which was promulgated on October 27, 1994 and was last amended on April 29, 2021 and the Regulations on Administration of Advertisement (《廣告管理條例》) which was promulgated by the State Council on October 26, 1987 and became effective on December 1, 1987. According to the Advertising Law, an advertisement shall not contain any information that is false or causing misunderstanding, and shall not deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the contents of their advertisements. An advertising operator or publisher shall check relevant supporting documents and verify the contents of advertisements in accordance with laws and administrative rules and regulations.

Internet Advertising

On February 25, 2023, the SAMR issued the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》), (the "**Internet Advertising Measures**"). These measures came into effect on May 1, 2023 and concurrently repealed the Interim Administrative Measures on Internet Advertising (《互聯網廣告管理暫行辦法》). The Internet Advertising Measures govern commercial advertising activities within the People's Republic of China. These activities involve using websites, web pages, apps, or other online media to directly or indirectly promote products or services through various forms such as text, images, audio, and video.

Advertising agents and publishers are required to establish, enhance, and enforce systems for accepting, registering, reviewing, and managing files related to their online advertising business. Additionally, they must lawfully cooperate with market regulatory authorities in investigations of the internet advertising industry and promptly supply true, accurate, and comprehensive information.

REGULATIONS RELATING TO CONSUMER PROTECTION

The Law of the PRC on Protecting Consumers' Rights and Interests (《中華人民共和國消費者權益保護法》) (the "**Law on Protecting Consumers' Rights and Interests**") was first promulgated by the NPC Standing Committee on October 31, 1993 and last amended on October 25, 2013, and came into effect on March 15, 2014. The Law on Protecting Consumers' Rights and Interests sets out the obligations of business operators and the rights and interests of consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide. Consumers whose rights and interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers' purchase of goods or acceptance of services on online platforms and the online platform operators fail to provide consumers with authentic contact information of the sellers or service providers. The Regulations for the Implementation of the Law of the PRC on Protecting Consumers' Rights and Interests (《中華人民共和國消費者權益保護法實施條例》) was promulgated by the State Council on March 15, 2024 and came into effect on July 1, 2024, according to which, if the business operators adopt automatic extension, automatic renewal, or other similar mechanisms in connection with the provisions of their services, the business operators must prominently draw the attention of the consumers before they accept the service and before the dates of automatic extension, automatic renewal, or effectiveness of other mechanisms. Business operators are prohibited from sending commercial information or making commercial calls to consumers without their prior consent. If a consumer agrees to receive commercial information and/or commercial calls, the business operator must provide clear and easily accessible options for opting out. Upon the consumer's request to opt out, the business operator shall immediately stop sending commercial information or making commercial calls.