Our business in the PRC is subject to extensive supervision and regulatory control by the PRC government. This section sets out a summary of relevant laws and regulations that may have material impact on our business.

REGULATIONS ON CONSUMER RIGHTS AND PRODUCT QUALITY

Consumer Rights

The principal legal provisions for the protection of consumer interests are set out in Law of the PRC on the Protection of Consumer Rights and Interests (the "**Consumer Protection Law**", (《中華人民共和國消費者權益保護法》), which was promulgated on October 31, 1993, and last amended on October 25, 2013. Pursuant to the Consumer Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage, and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of consumers. According to the Consumer Protection Law, where operators knowingly provide consumers with defective commodities or services causing death or serious damage to the health of consumers or other victims, the victims may require operators to compensate them for losses in accordance with the Consumer Protection Law and other relevant provisions, and claim punitive damages of up to twice the amount of the losses incurred.

Product Quality

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") which was latest amended on December 29, 2018, applies to all production and marketing activities in the PRC. Pursuant to this law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any manner, including forging brand labels or providing false information concerning a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury or property damage, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

REGULATIONS ON SAFETY PRODUCTION

Pursuant to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) amended by the SCNPC on June 10, 2021 and effective on September 1, 2021, production and operation entities shall: (1) abide by the law and other laws and regulations concerning production safety, strengthen the safety management, and set up a sound responsibility system for production safety of all employees and rules and regulations on production safety; (2) increase the input and guarantee of funds, materials, technologies, and personnel in terms of production safety, improve the conditions for production safety, strengthen the development of standards and adoption of information technologies for production safety; (3) build a dual prevention mechanism of level-to-level safety risk management and control and hidden danger identification and management, and perfect the risk prevention and resolution mechanism, to improve the level of work safety and ensure production safety. Entities that do not meet the conditions for safe production shall not engage in production and operating activities.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014 and became effective on January 1, 2015, pollution control facilities must be designed, built, and operated simultaneously with main construction works.

According to the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017, the construction entity shall submit an environmental impact report, an environmental impact statement, or fill in an environmental impact registration form depending on the degree of impact the construction project has on environment. For a construction project for which an environmental impact report or environmental impact statement shall be prepared by law, the construction entity shall submit the environmental impact report and environmental impact statement to the competent administrative department of the environmental protection with approval authority for approval before starting construction. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity shall be prohibited from commencing construction works.

According to the Measures for the Administration of Pollutant Discharge Permitting (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge license management in accordance with the law shall apply for and obtain pollutant discharge license in accordance with the law and discharge pollutants in accordance with the provisions of the pollutant discharge license. Those without pollutant discharge license are not allowed to discharge pollutants. Enterprises, public institutions and other producers and business operators that are legally required to fill in pollutant discharge registration forms shall conduct pollutant discharge registration on the national pollutant discharge permit management information platform.

According to the Catalogue for Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (《固定污染源排污許可分類管理名錄》) issued by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

REGULATIONS ON IMPORT AND EXPORT

Promulgated by The General Administration of Customs of the PRC on November 19, 2021 and effective on January 1, 2022, the Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) stipulates that entities applying for record-filing, whether as consignors/consignees of import/export goods or as customs declaration enterprises, must hold valid market entity qualification. If the submitted record-filing materials are complete and comply with the requirements upon review, the Customs shall complete the filing procedures within three business days. The record-filing information will be disclosed through the China Customs Import and Export Credit Information Publicity Platform.

REGULATIONS ON ADVERTISEMENT

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by the SCNPC on October 27, 1994 and most recently revised on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. Any advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and administrative regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, valid period and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit. According to the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》), which was issued by the SAMR on February 25, 2023 and became effective from May 1, 2023, advertisers are responsible for the authenticity of the content of Internet advertisements. Where a product seller or service provider promotes goods or service through livestreaming over the internet and such promotion constitutes a commercial advertisement, they shall, in accordance with the law, assume the responsibilities and obligations of an advertiser.

REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

On May 28, 2020, the National People's Congress of the PRC approved the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which has come into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, 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》), which integrates the scattered rules with respect to personal information rights and privacy protection and became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law and promoting the reasonable use of personal information. Personal information, as defined in the Personal Information Protection Law, refers to information related to identified or identifiable natural persons and is recorded by electronic or other means but excluding the anonymized information. The Personal Information Protection Law applies to personal information processing activities within China, as well as certain personal information processing activities outside China, including those for provision of products and services to natural persons within China or for analyzing and assessing acts of natural persons within China.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), and amended it on October 28, 2025. The Cyber Security Law requires network operators to perform certain functions related to cyber security protection and strengthen the network information management. For instance, under the Cyber Security Law, network operators of key information infrastructure generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC. When collecting and using personal information, in accordance with the Cyber Security Law, network operators shall abide by the "lawful, justifiable and necessary" principles. Network operators shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operators, when processing personal information, shall comply with this Law and the provisions of laws and administrative regulations such as the Civil Code of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not endanger national security, the public interest, or individuals' and organizations' lawful rights and interests. Besides, it is necessary to establish and improve a whole-process data security management system in accordance with the provisions of laws and regulations, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. The use of the Internet and other information networks to carry out data processing activities shall perform the above-mentioned data security protection obligations on the basis of the cybersecurity level protection system.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) promulgated by the Cyberspace Administration of China on December 28, 2021 and effective on February 15, 2022, the purchase of network products and services by critical information infrastructure operator and the data processing activities carries out online platform operators, which affects or may affect national security, shall be subject to cybersecurity review. Online platform operators possessing personal information of more than 1 million users must report to the cybersecurity review office for a cybersecurity review before going public abroad. According to the Regulation on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council of China on September 24, 2024 and came into effect on January 1, 2025, where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

REGULATIONS ON CROSS-BORDER DATA TRANSFER

The Measures for Security Evaluation for the Transfer of Data to Foreign Countries (《數據出境安全評估辦法》) was promulgated by the Cyberspace Administration of China (the "**CAC**") on July 7, 2022 and entered into force on September 1, 2022 to clarify the regulatory mechanism for transfer of data to foreign countries under the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. The Measures clarifies the provisions and procedures for conducting security evaluation for the transfer of important data or personal information to foreign countries collected and generated within China. The Measures for Standard Contracts for the Transfer of Personal Information to Foreign Countries (《個人信息出境標準合同辦法》) was issued by the CAC on February 22, 2023, which entered into force as of June 1, 2023, clarifying that the personal information processor who carries out personal information transfer activities by way of entering into standard contracts shall comply with certain conditions, and shall file the signed standard contracts with the local provincial-level Internet information department. The Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》) (the "**Promoting Provisions**") promulgated by the CAC on March 22, 2024 further adjusted the scope, exemption conditions and procedures applicable to the mechanism of security evaluation of data transfer to foreign countries and filing of standard contracts for personal information transfer to foreign countries. Pursuant to the aforesaid measures and regulations, if a data processor provides data to foreign countries and meets one of the following conditions, he/she shall declare the security evaluation of data transfer to foreign countries to the CAC through the local provincial-level Internet information department: (1) the critical information infrastructure operator provides personal information or important data to foreign countries; and (2) a data processor other than the critical information infrastructure operator provides important data to foreign countries, or provides more than 1 million people's personal information (excluding sensitive personal information) or more than 10,000 people's sensitive personal information to foreign countries cumulatively from January 1 of the current year, provided that exemptions under Articles 3 to 6 of the Promoting Provisions are met. A data processor other than the critical information infrastructure operator shall conclude and file a standard contract with overseas recipients for provision of personal information abroad or go through the authentication on protection of personal information under the following circumstances: (1) provides more than 100,000 but less than 1 million people's personal information (excluding sensitive personal information) to foreign countries cumulatively from January 1 of the current year; (2) provides less than 10,000 people's sensitive personal information to foreign countries cumulatively from January 1 of the current year, provided that exemptions under Articles 3 to 6 of the Promoting Provisions are met.

REGULATION ON INTELLECTUAL PROPERTY

Patents

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and amended in 1992, 2000, 2008 and 2020, patents for inventions and utility models may be granted subject to three conditions: novelty, creativity and practicability. Patents are not granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, methods used to nuclear transformation and substances obtained utilising nuclear transformation, and designs of the pattern and the colour of graphic printed matter or the combination of them that are primarily used to mark and identify. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design (the term of protection of a design patent right for which the application date is up to and including May 31, 2021 is ten years, commencing from the application date), commencing from the application date. Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper licence from the patent owners to use the patent, otherwise, the use of the patent will constitute an infringement of the rights of the patent holder.

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was adopted on August 23, 1982 and subsequently amended in 1993, 2001, 2013, and 2019, respectively, as well as the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office of National Intellectual Property Administration (the "**Trademark Office**") handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. Trademark license agreements must be filed with the Trademark Office to be recorded, while the non-filing of the licensing of a trademark shall not be contested against a good faith third-party. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "certain degree of reputation" through such party's use.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures for the Administration of Internet Domain Names of China (《中國互聯網絡域名管理辦法》) promulgated by the MIIT on November 5, 2004 and took into effect on December 20, 2004, which was superseded by the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and took into effect on November 1, 2017, and the Implementing Rules of China ccTLD Registration (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Centre and took into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC Internet domain names. The domain name services follow a "first come, first served" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Software Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC in 1990 and amended in 2001, 2010 and 2020 respectively, Chinese citizens, legal persons or unincorporated organisations are entitled to copyright in their works (including computer software) in accordance with the law, regardless of whether or not they are published.

The Regulation on Protection of Computer Software (《計算機軟件保護條例》) was promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013, respectively, with the aim of protecting the rights and interests of computer software copyright holders, adjusting the interests and relations occurring in the development, dissemination and use of computer software, encouraging the development and application of computer software, and promoting the development of software industry and informatization of our national economy. According to the Regulation on Protection of Computer Software, the PRC citizens, legal persons, or other organisations shall, whether published or not, enjoy copyright in software developed by them in accordance with the law. A software copyright owner may register with a software registration institution recognised by the copyright administration department of the State Council. The certificate of registration issued by the software registration institution shall be the preliminary evidence of the registered matters. The software copyright of a legal person or other organisations shall be protected for a period of 50 years, ending on December 31 of the 50th year after the first publication of the software; however, if the software has not been published within 50 years from the date of completion of its development, it shall no longer be protected.

REGULATIONS ON LABOUR AND EMPLOYMENT

Employment

According to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) effective on January 1, 1995, and revised on December 29, 2018 and implemented on the same date, and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) revised on December 28, 2012 and taking effect on July 1, 2013, a labour contract shall be signed when the employer establishes labour relationship with the worker.

The labour contracts shall be signed in writing. When agreement is reached after negotiation, labour contracts, including fixed-term labour contracts, open-ended labour contracts or labour contracts based on the completion of work, shall be signed, and the salary shall be no less than the local minimum wage standard. The employer and the worker shall each fully perform their respective obligations in accordance with the labour contract.

Social Securities

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was issued by the SCNPC on October 28, 2010 and came into effect on July 1, 2011 and last revised on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering basic pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and basic medical insurance. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to rectify within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. If the employer fails to pay social insurance contributions on time and in full, the social insurance agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the rate of 0.05% shall be levied as of the date of indebtedness. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but not exceeding three times the amount shall be demanded by the authoritative administrative department. Meanwhile, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and came into effect on the same day and was recently revised on March 24, 2019 prescribes the details concerning the social securities.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended on December 20, 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Pension Insurance System for Enterprise Employees (《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 on July 16, 1997, the Decision of the State Council on Improving the Basic Pension Insurance System for Enterprise Employees (《國務院關於完善企業職工基本養老保險制度的決定》) issued on December 3, 2005, 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 on December 14, 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999 and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 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. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

Housing Provident Fund

According to Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) revised by the State Council and implemented on March 24, 2019, the enterprises shall fully pay the housing provident fund contribution for the employees on time, with the contribution rate shall be no less than 5% of the employee's average monthly salary in the previous year.. The housing provident fund contribution paid by the employees and the employers shall be owned by the employees.

On July 31, 2025, the Supreme People's Court promulgated the Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law of the PRC, the People's Court shall support such claims in accordance with the law, which clarifies that employees are entitled to request termination of their labor contracts and receive corresponding economic compensation under the Labor Contract Law of the PRC if the employer fails to make social insurance contributions in accordance with the law.

REGULATIONS ON LEASED PROPERTIES

On December 1, 2010, the Ministry of Housing and Urban-Rural Development of the PRC promulgated the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which came into effect on February 1, 2011, stipulate that parties to the property lease shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the PRC Government of the centrally-administered municipality, municipality or county where the leased property is located. Any party failing to complete the leasing registration and filing formalities shall be ordered by the development (real estate) department of the PRC Governments of centrally-administered municipalities, municipalities or counties to make correction within a stipulated period; where an organization fails to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

According to the Civil Code, failure by the parties to conduct registration and filing formalities for the lease contract as required by laws and administrative regulations shall not affect the validity of the contract.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") issued Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and its supporting guidelines (collectively, the "**New Rules for Filing**"), which came into effect on March 31, 2023. According to the New Rules for Filing, PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall complete the filing procedures and report relevant information to the CSRC within three working days after submitting the application documents for offering and listing securities in overseas markets.

On February 24, 2023, the CSRC, in conjunction with the MOF, the National Administration of State Secrets Protection and the National Archives Administration, has jointly issued 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 "**Confidentiality and Archives Administration Provisions**"), which came into effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require that PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations.

REGULATIONS ON H SHARE "FULL CIRCULATION"

According to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), which were issued and implemented by the CSRC on August 10, 2023, Shareholders may determine the volume and proportion of shares for circulation, authorizing the domestic enterprise to file the application, 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. The shareholders of domestic unlisted shares shall authorise the domestic enterprises 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. Domestic enterprises that are not yet listed may file the "Full Circulation" application when applying for listing in an overseas IPO. After an application for "Full Circulation" has been approved by the CSRC, the domestic enterprise shall submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC. The domestic unlisted shares may not be transferred back to China after they have been listed and circulated in Hong Kong.

According to the Measures for Implementation of H-share "Full Circulation" Business (《H股「全流通」業務實施細則》) promulgated by the China Securities Depository and Clearing Corporation Limited (the "**CSDC**") and Shenzhen Stock Exchange (the "**SZSE**") on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the "Full Circulation" business, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited and the SZSE.

The Shenzhen Branch of CSDC promulgated the Guide to the Program for H-share “Full Circulation” Business of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) on September 20, 2024 and amended on June 30, 2025. These guidelines aim at standardizing the business operations of H-share “Full Circulation” and have made provisions for relevant businesses related to H-share “Full Circulation”, including business preparation, cross-border transfer registration, overseas share custody, initial maintenance of detailed domestic holdings, change and maintenance of detailed domestic holdings, handling of corporate actions, settlement and delivery, and risk management.

REGULATIONS ON OUTBOUND INVESTMENT

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which were promulgated by The National Development and Reform Commission (the “**NDRC**”) on December 26, 2017 and became effective on March 1, 2018, to make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project approved or filed on the record, report relevant information, and cooperate with supervision and inspection. Overseas investment projects that involve any sensitive country or region or any sensitive industry need to be approved by the NDRC. Overseas investment projects other than those specified above are subject to filing administration. The NDRC promulgated the List of Sensitive Sectors for Outbound Investment (《境外投資敏感行業目錄》) on January 31, 2018 and became effective on March 1, 2018 to list the current sensitive industries in detail.

According to the Administrative Measures for Overseas Investment (《境外投資管理辦法》), which were promulgated by the Ministry of Commerce (the “**MOFCOM**”) on March 16, 2009, became effective on May 1, 2009 and amended on September 6, 2014, outbound investment refers to the activities of possessing non-financial enterprises or acquiring the ownership of, the control over, the operation and management right of, and other rights of and interests in, the existing non-financial enterprises outbound through consolidation, merger and acquisition, or otherwise conducted by enterprises that are established in the PRC in accordance with the law. The MOFCOM and the provincial departments in charge of commerce shall conduct archive filing and verification management according to different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of outbound investment of an enterprise.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended on August 5, 2008, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside the PRC, unless prior approval of the State Administration of Foreign Exchange (the “**SAFE**”) is obtained and prior registration with SAFE is made.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《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》) (the “**Circular 13**”), which was promulgated on February 13, 2015 and took effect from June 1, 2015 partially abolished on December 30, 2019, enterprises are not required to get foreign exchange registration approval under domestic direct investment or overseas direct investment. Domestic investors (including domestic foreign-invested enterprises, domestic investing entities of foreign enterprises) should carry out foreign exchange registration of direct investment with banks.

According to the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange 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 "**Circular 19**"), which was promulgated on March 30, 2015 and took effect on June 1, 2015, was partially abolished on December 30, 2019 and was amended on March 23, 2023 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") which was promulgated and took effect on June 9, 2016 and amended on December 4, 2023, domestic enterprises (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) may go through foreign exchange settlement formalities for their foreign debts at their discretion. Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts under capital accounts of domestic institutions, such provisions shall prevail. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to the balance of payments. While being eligible for discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous transaction (including discretionary settlement and payment-based settlement) of such institution.

The Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (the "**Circular 28**") was promulgated and became effective on October 23, 2019 and amended on December 4, 2023. According to the Circular 28, non-investment foreign-funded enterprises are allowed to lawfully make domestic equity investments using their capital if the domestic investment projects are in compliance with the prevailing special administrative measures for access of foreign investments and the relevant regulations.

The People's Bank of China and the State Administration of Foreign Exchange issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《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》), which was announced on December 24, 2025. This document constitutes a new regulation jointly issued by the two authorities, aiming to unify and optimize the supervision and administration of foreign exchange funds related to the overseas listings of domestic enterprises. Its key provisions include establishing a registration system for overseas listings, clarifying the principle of repatriating raised funds and the conditions for retaining funds overseas, standardizing the opening and use of dedicated accounts, detailing the foreign exchange procedures for shareholding increases and decreases by shareholders, and making specific arrangements for businesses such as "H-share Full Circulation". The new regulation will take effect on April 1, 2026.

REGULATIONS ON TAXES

Corporate Income Tax

Pursuant 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 on March 16, 2007 and last 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 on December 6, 2007 and last amended on December 6, 2024, the income tax rate for both domestic and foreign-invested enterprises is 25%. Furthermore, resident enterprises, which are enterprises that are set up in accordance with PRC law, or that are set up in accordance with the law of a foreign country (region) but with their actual administration institution in the PRC, must pay enterprise income tax originating both within and outside the PRC. Non-resident enterprises that have established institutions or establishments in the PRC shall pay enterprise income tax on income derived from the PRC and effectively connected with such institutions or establishments, as well as on income derived from outside the PRC that is effectively connected with such institutions or establishments. Non-resident enterprises that have not set up institutions or establishments in the PRC, or where institutions or establishments are set up but where there is no actual relationship with the income obtained by the institutions or establishments set up by such enterprises, they must pay enterprise income tax in relation to the income originating from the PRC at the rate of 10%.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by SCNPC on December 25, 2024 and will become effective from January 1, 2026, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, and the importation of goods are required to pay value-added tax (the "**VAT**"). Pursuant to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》) promulgated on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, upon approval of the State Council, as of May 1, 2016, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner, and all taxpayers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

Pursuant to the Value-added Tax Law of the PRC, the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax, the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) promulgated by Ministry of Finance and State Administration of Taxation on April 4, 2018 and became effective on May 1, 2018, and the Announcement on Relevant Policies for Deepening 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 by the Ministry of Finance, the State Administration of Taxation and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, with respect to VAT taxable sales of a VAT general taxpayer, the applicable VAT rates are 13%, 9% and 6% respectively.