This section summaries the most significant laws, regulations, and rules that affect and govern our current major business activities and operation in the PRC.

LAWS AND REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

Companies established and operating in the PRC shall be subject to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the National People's Congress Standing Committee (the "**SCNPC**") on December 29, 1993 and as most recently amended on December 29, 2023 and take effect on July 1, 2024. The Company Law provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested companies in the PRC. Unless otherwise provided in the PRC foreign investment laws, the provisions in the Company Law shall prevail.

On March 15, 2019, the National People's Congress (the "**NPC**") promulgated the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") with effect from January 1, 2020, which sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the "**foreign investors**") shall not invest in any sector prohibited as specified in the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of treating domestic investments and foreign investments equally.

The Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 by the Ministry of Commerce (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. Since January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

Pursuant to the Foreign Investment Security Review Measures (《外商投資安全審查辦法》), which was promulgated by the National Development and Reform Commission (the "**NDRC**") and the MOFCOM on December 19, 2020, took effect on January 18, 2021, foreign investments in military, national defense-related areas or in locations in proximity to military facilities, or foreign investments that would result in acquiring the actual control of assets in certain key sectors, including cultural products and services, IT, Internet products and services, financial services and technology sectors etc., are required to obtain approval from designated governmental authorities in advance.

On December 24, 2025, the MOFCOM and the NDRC released the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**2025 Encouraging Catalog"**). On September 6, 2024, the MOFCOM and the NDRC released the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**2024 Negative List"**), which became effective on November 1, 2024. The 2025 Encouraging Catalog and the 2024 Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories regarding foreign investment: "encouraged", "restricted" and "prohibited". Industries not listed in the 2025 Encouraging Catalog or the 2024 Negative List are generally deemed as falling into a fourth category "permitted" unless specifically restricted by other PRC laws.

LAWS AND REGULATIONS ON CYBERSECURITY, DATA AND PERSONAL INFORMATION PROTECTION

Cybersecurity

The Decision in Relation to Protection of Internet Security (《關於維護互聯網安全的決定》) enacted by SCNPC on December 28, 2000 and amended on August 27, 2009, provides that, among other things, the following activities conducted through the Internet, if constitutes a criminal act under the PRC laws, are subject to criminal punishment: (i) hacking into a computer or system of strategic importance; (ii) intentionally inventing and spreading destructive programs such as computer viruses to attack the computer system and the communications network, thus damaging the computer system and the communications networks; (iii) in violation of State regulations, discontinuing the computer network or the communications service without authorization; (iv) leaking state secrets; (v) spreading false commercial information; or (vi) infringing intellectual property rights through the internet.

Pursuant to the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》), which was promulgated by the SCNPC on February 22, 1993 and latest amended on July 1, 2015, the State shall develop network and information security assurance system, enhance network and information security assurance capabilities, strengthen innovative research and development and application of network and information technologies and realize the security and controllability of network and information core technologies, critical infrastructure and information systems and data in key areas; the State shall also enhance network management, prevent, deter and punish network criminal acts such as cyber-attacks, network intrusion, network theft and illegal spread of harmful information in order to safeguard the sovereignty, security and development interests of the state cyberspace.

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated by the SCNPC on November 7, 2016, amended lately on October 28, 2025 and effect from January 1, 2026, China adopts a multi-level protection scheme (the "**MLPS**"). Network operators are required to, in accordance with the requirements of the MLPS, perform obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. When data security incidents occur, processors shall immediately notify the persons whose information is collected as required and report the matter to the relevant competent authorities in accordance with applicable requirements. Network operators are required to collect and use personal information with the consent of the person whose personal information is collected, adopt a legal, proper and open approach, follow necessary principles, and make clear the rules, purpose, manner and scope of use.

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

Pursuant to the the Measures for Cybersecurity Review (《網絡安全審查辦法》) which was promulgated by the Cyberspace Administration of China (the "**CAC**") and other twelve PRC regulatory authorities jointly and came effect on February 15, 2022, operators of critical information infrastructure purchasing network products and services, and network platform operators carrying out data processing activities that affect or may affect national security, shall report to the cybersecurity review office for a cybersecurity review. In addition, an operator who controls more than 1 million users' personal information must report to the cybersecurity review office for a cybersecurity review if it intends to be listed in a foreign country.

On September 24, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), and was effective on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers. The Data Security Regulations do not specifically include the requirement that cyber data processing entities seeking a listing in Hong Kong that affects or may affect national security should apply for a cybersecurity review. Instead, the regulations generally provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations.

Data Security

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**") promulgated by the SCNPC on June 10, 2021, and coming into effect on September 1, 2021, the conduct of data handling activities shall not endanger national security or public interests and shall not damage the legitimate rights and interests of individuals and organizations. The conduct of data handling activities shall, in accordance with the provisions of laws and regulations, establish and improve the whole-process data security management rules, as well as take appropriate technical measures and other necessary measures to protect data security. Any organization or individual collecting data shall adopt lawful and proper methods and shall not steal data or obtain the data by other illegal means. The conduct of data handling activities using information networks such as the Internet shall perform the above data security protection obligations on the basis of the cybersecurity MLPS.

On September 17, 2021, the CAC and the SAMR, together with several other regulatory authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services (《關於加強互聯網信息服務算法綜合治理的指導意見》), which provide that relevant regulators shall carry out daily monitoring of data use, application scenarios and effects of algorithms, and conduct security assessments of algorithm, and that an algorithm filing system shall be established and classification and hierarchical security management of algorithms shall be adopted. On December 31, 2021, the CAC, the Ministry of Industry and Information Technology (the "**MIIT**"), the Ministry of Public Security and the SAMR jointly promulgated 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》) (the "**Algorithm Recommendation Provisions**") which came into effect on March 1, 2022. The Algorithm Recommendation Provisions implement the classification and hierarchical management of algorithm recommendation service providers based on various criteria, and stipulate that algorithm recommendation service providers shall clearly inform users of their provision of algorithm recommendation services, and properly publicize the basic principles, intentions, and main operating mechanisms of algorithm recommendation services, and that algorithm recommendation service providers selling goods or providing services to consumers shall protect consumers' rights of fair trade, and are prohibited from carrying out illegal conduct such as unreasonable differentiated treatment on transaction conditions based on consumers' preferences, purchasing habits, or such other characteristics.

In addition, the Administrative Provisions on Deep Synthesis of Internet Information Services (《互聯網信息服務深度合成管理規定》), which took effect on January 10, 2023, impose obligations on providers, technology supporters and users of deep synthesis technology, including verification of user identity, implementing measures to protect data security and personal information, content moderation, labeling content generated using deep synthesis technology, and conducting security assessment and completing filings for provision of certain services.

On July 10, 2023, the CAC together with other relevant authorities, released the Interim Measures on Generative AI Services (《生成式人工智能服務管理暫行辦法》), which came into effect on August 15, 2023 and mainly impose compliance requirements on providers of generative AI services. According to the Interim Measures on Generative AI Services, individuals or organizations that provide generative AI services of text, image, audio, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor users from over-relying or becoming addicted to generative AI services. In the event that illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with attribute of public opinions or capable of social mobilization shall conduct security assessment and complete certain filings procedures in accordance with the Algorithm Recommendation Provisions. Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

Personal Information Protection

According to the Civil Code of the People's Republic of China (《民法典》) (the "**Civil Code**") promulgated by the NPC on May 28, 2020 and effective on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or individual that need 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.

Pursuant to the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021, the circumstances under which the Personal Information Protection Law applies include: (i) activities of processing personal information of natural persons within the territory of the People's Republic of China; (ii) personal information processing activities that occur beyond China for the purpose of providing products or services to natural persons in China, or for the purpose of analyzing or evaluating the behavior of natural persons in China. Among them, personal information refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding information after anonymization. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfil statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; (vi) the personal information that has been made public is processed within a reasonable scope in accordance with this Law; or (vii) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor. Any violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022. The Measures for the Security Assessment of Outbound Data Transfer stipulate that data processors, who provide important data and personal information collected and generated in their operations within the territory of China to recipients overseas, shall conduct a security assessment of outbound data transfers according to these Measures. The CAC promulgated the Measures for the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which came into effect on June 1, 2023. The Measures set forth the specific requirements applicable to personal information processors that provide personal information outside of the PRC by entering into a standard contract with the overseas recipient. The CAC also promulgated the Measures for Authentication of Personal Information Transferred Overseas (《個人信息出境認證辦法》), which will take effect on January 1, 2026. The Measures set forth the specific requirements applicable to personal information processors that provide personal information outside of the PRC by through personal information protection authentication. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) (the "**New Outbound Data Transfer Provisions**"), which took effect on the same date. The New Outbound Data Transfer Provisions stipulate that in case of inconsistencies with the Measures for the Security Assessment of Outbound Data Transfer, the New Outbound Data Transfer Provisions shall prevail. The New Outbound Data Transfer Provisions clarify specific situations in which certain obligations regarding cross-border data transfers (including declaring security assessments for outbound data transfers, entering into standard contracts for outbound personal information, and passing personal information protection certification) can be exempted: (i) the outbound provision of data that is collected and generated in international trade, cross-border transportation, academic cooperation, multinational production and manufacturing, marketing, and other activities that do not involve personal information or important data; (ii) the domestic processing and subsequent outbound provision of personal information that is previously collected and generated outside the territory of the PRC after transmission into China, provided that no personal information within the territory of the PRC or important data is incorporated during the processing activities; (iii) the outbound provision of personal information when it is truly necessary for the conclusion or performance of a contract to which the individual is a party; (iv) the outbound provision of employee personal information when it is truly necessary for implementing cross-border human resources management in accordance with legally established labor regulations and legally signed collective contracts; (v) the outbound provision of personal information when it is truly necessary to protect the life, health, and property safety of natural persons in emergency situations; and (vi) the cumulative outbound provision of personal information of less than 100,000 individuals (excluding sensitive personal information) by data processors other than critical information infrastructure operators from January 1 of the current year.

LAWS AND REGULATIONS ON ADVERTISEMENTS IN THE PRC

The Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC, as most recently amended on April 29, 2021, outlines the regulatory framework for the advertising industry. Advertisers, advertisement operators and advertisement distributors are required by PRC Law in relation to advertisements to ensure that the contents of the advertisements they prepare or distribute are true and in full compliance with applicable laws and regulations. For example, pursuant to the Advertisement Law, advertisements must not contain, among other prohibited contents, terms such as "the state level," "the highest grade," "the best" or other similar words. In addition, where a special government review is required for certain categories of advertisements before publishing, the advertisers, advertisement operators and advertisement distributors are obligated to confirm that such review has been performed and the relevant approval has been obtained. Pursuant to the Advertisement Law, the use of the Internet to distribute advertisements shall not affect the normal use of the Internet by users. Particularly, advertisements distributed on Internet pages such as pop-up advertisements shall be indicated with a conspicuous mark for "close" to ensure the close of such advertisements by one click. Where Internet information service providers know or should know that illegal advertisements are being distributed using their services, they shall prevent such advertisements from being distributed.

In addition to the above regulations, the SAMR promulgated the Administrative Measures for Internet Advertisement (《互聯網廣告管理辦法》) (the "Internet Advertisement Measures") on February 25, 2023, which came into effect on May 1, 2023, set forth certain compliance requirements for online advertisement businesses. According to the Internet Advertisement Measures, Online advertisements for prescription medicine or tobacco are not allowed, while advertisements for special commodities or services such as medical treatment, pharmaceuticals, food for special medical purposes, medical instruments, agrochemicals, veterinary medicine and other health foods must be reviewed by competent authorities before online publication; Internet advertisements must be visibly marked as "advertisement", while paid search results must be obviously distinguished from natural search results; and Internet advertisements must not affect users' normal use of the Internet; "pop-up ads" must be clearly marked with a "close" sign and be closable with one click; and no deceptive or misleading means may be used to lure users into clicking or browsing an advertisement.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

As required by the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) most recently amended on April 23, 2019 and effective from November 1, 2019, and Regulation for the Implementation of Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended on April 29, 2014 and effective from May 1, 2014. The valid period of a registered trademark is ten years from the date of the approval for registration. Where the registrant intends to continue to use the registered trademark beyond the expiration of the period of validity, an application for renewal of the registration shall be made within twelve months before the said expiration. Where no application therefor has been filed within the said period, a grace period of six months may be allowed. If no application has been filed before the expiration of the grace period, the registered trademark shall be canceled. The period of validity of each renewal of registration shall be ten years. Any renewal of registration shall be published after it has been approved. Any trademark registrant may, by signing a trademark license contract, authorize other persons to use his registered trademark. The licensor shall supervise the quality of the goods in respect of which the licensee uses his registered trademark, and the licensee shall guarantee the quality of the goods in respect of which the registered trademark is used.

Patent

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by SCNPC on March 12, 1984 and most recently amended on October 17, 2020 and effective from June 1, 2021, and its implementation rules (《中華人民共和國專利法實施細則》), which was most recently amended by the State Council on December 11, 2023, provide for three types of patents, "invention", "utility model" and "design". "Invention" refers to any new technical solution in relation to a product, a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is 10 years and that of a "design" is 15 years, from the date of application.

Copyright

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) most recently amended on November 11, 2020 and effective from June 1, 2021, its implementation rules (《中華人民共和國著作權法實施條例》) which was most recently amended by the State Council on January 30, 2013 and effective from March 1, 2013, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People's Republic of China and other related system and laws and regulations, reproducing, distributing, performing, projecting, broadcasting, or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright related rights holders shall not be in violation to the Constitution and laws nor prejudice to public interests.

The Regulations on Computer Software Protection (《計算機軟件保護條例》), which was promulgated on June 4, 1991, amended on January 30, 2013 and became effective on March 1, 2013 by the State Council, stipulates that Chinese residents, legal entities or other organizations enjoy copyright in the software which they have developed, whether published or not, and a software copyright owner may register it with the software registration institution recognized by the copyright administration department of the State Council. 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 with immediate effect, regulates registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The Copyright Protection Center of China (the "**CPCC**") is the designated software registration authority. The CPCC grants registration certificates to computer software copyright applicants which conform to the provisions of both the Regulations on Computer Software Protection and the Measures for the Registration of Computer Software Copyright.

Domain Name

Pursuant to 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 effective from November 1, 2017, the MIIT supervises and administrates domain services nationwide. The principle of "first come, first serve" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. The applicants will become the holders of such domain names upon the completion of the registration procedure.

LAWS AND REGULATIONS ON LEASING PROPERTY

Pursuant to the Law of the PRC on the Administration of the Urban Real Estate (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on 5 July 1994 and last amended on 26 August 2019 and effective on 1 January 2020, in the lease of a house, the lessor and the lessee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties. According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties to a commodity house lease shall complete the lease filing with the competent construction (real-estate) departments of the municipalities directly under the Central Government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the central government, cities and counties shall urge those who do not file on time hereof to make rectification within a specified time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on institutions which fail to rectify within the specified time limit.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING FUND

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, and lately amended on December 29, 2018, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, and lately amended on December 28, 2012, and the Implementing Regulations of the Labor Contract Law (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and took effect on September 18, 2008, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

According to the Social Security Law of the People's Republic of China (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and was amended on December 29, 2018, and other relevant PRC laws and regulations, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, employment injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while employment injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Interpretation II of 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)》) enacted by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025. Where an employer and an employee enter into a written or verbal agreement that social insurance premiums need not be paid by both parties, the people's court shall not support this arrangement and shall determine that the agreement is invalid. Accordingly, when an employer fails to pay social insurance premiums even as previously agreed between the employer and an employee, upon the employee's termination of the employment contract, the employer shall make up the unpaid social insurance premiums and pay economic compensation to the employee in accordance with the provisions of the Labor Law.

According to the Regulations on the Administration of Housing Fund (《住房公積金管理條例》), which was promulgated by the State Council and became effective on April 3, 1999, and was last amended on March 24, 2019, enterprises in the PRC must register with the competent managing center for housing provident funds and upon the examination by such center, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing provident funds. Enterprises are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. Employers that violate these regulations and fail to process housing provident fund payments or deposit registrations with the housing provident fund administration center within a designated period are subject to a fine ranging from RMB10,000 to RMB50,000.

LAWS AND REGULATIONS ON TAX IN THE PRC

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) (the "**EIT Law**"), was lately amended by the SCNPC on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) (the "**Implementation of the EIT Law**"), which was promulgated on December 6, 2007, last amended on December 6,2024, and took effect on January 20,2025, enterprises are classified into resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%.

Pursuant to the Circular on Issues Relating to the Withholding of Enterprise Income Tax by Mainland China Resident Enterprises on Dividends Paid to Overseas Non-mainland China Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), issued by the State Taxation Administration (the "**STA**") on November 6, 2008, a resident enterprise distributing dividends to its overseas non-resident enterprise shareholders holding H-shares for fiscal years commencing in or after 2008 is required to withhold Enterprise Income Tax at a uniform rate of 10%.

According to the EIT Law, the enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises, and high-tech enterprises to which the State needs to give key support are given the reduced enterprise income tax rate of 15%. Announcement of the State Administration of Taxation on Issues concerning the Implementation of Preferential Income Tax Policies for High-tech Enterprises (《國家稅務總局關於實施高新技術企業所得稅優惠政策有關問題的公告》) further provides that after being accredited as a high-tech enterprise (the **"HTE"**), an enterprise shall be entitled to tax incentives from the year of the accreditation as indicated on its HTE certificate. Pursuant to the Administrative Measures for the Accreditation of High and New-Tech Enterprises (《高新技術企業認定管理辦法》) came into effect on January 1, 2016, HTE certificate is valid for 3 years.

Value-added Tax

Pursuant to Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), promulgated on December 25, 2024, and became effective on January 1, 2026, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the importation of goods within the territory of the PRC shall be liable to pay VAT, the VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, the VAT tax rate applicable to the small-scale taxpayers is 3%. Regulations for the Implementation of the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法實施條例》), promulgated on December 25, 2025, and became effective on January 1, 2026 has detailed taxpayers and scope of taxation, clarify the applicable tax rates and determine the calculation methods for tax payable in different situations.

According to the Circular of the Ministry of Finance and the STA 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 on April 4, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable 17% and 11% rates would be adjusted to 16% and 10%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), effective on April 1, 2019, the 16% VAT tax rate, which applies to the sales or imported goods of a VAT general taxpayer, will be lowered to 13%, and the 10% VAT tax rate will be lowered to 9%.

LAWS AND REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which was issued by the MOFCOM on March 16, 2009 and amended on September 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the PRC shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to confirmation management. Non-sensitive projects directly conducted by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to recordation management. The aforementioned sensitive project means a project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), which became effective on March 1, 2018, to list the sensitive industries in detail.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administration Regulations (《外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008, Renminbi is freely convertible into other currencies 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 of China, unless prior approval is obtained from the State Administration of Foreign Exchange (the "**SAFE**") and prior registration with the SAFE is made.

On February 13, 2015, the SAFE promulgated Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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 took effect on June 1, 2015 and was amended on December 30, 2019. Circular 13 delegates the authority to enforce the foreign exchange registration in connection with the inbound and outbound direct investment under relevant SAFE rules to certain banks and therefore further simplifies the foreign exchange registration procedures for inbound and outbound direct investment.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement 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 took effect on June 1, 2015 and was last amended on March 23, 2023. The SAFE further promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Foreign Exchange Settlement of 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**"), on June 9, 2016 and was further amended on June 2016, which, among other things, amend certain provisions of the Circular 19. According to the Circular 19 and the Circular 16, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capitals and foreign debts from foreign currency into Renminbi on a discretionary basis, and the flow and use of the Renminbi capital converted from foreign currency denominated registered capital or foreign debt 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. Violations of the Circular 19 or Circular 16 could result in administrative penalties.

On September 12, 2025, the SAFE issued the Circular of the State Administration for Foreign Exchange on Deepening of Reform in the Administration of Foreign Exchange for Cross-border Investment and Financing (《關於深化跨境投融資外匯管理改革有關事宜的通知》) (the "**Circular 43**"), cancels the registration requirements for domestic reinvestment by foreign-invested enterprises stipulated by the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (the "**Circular 28**"). Additionally, it further narrows the negative list governing the use of capital account income originally stipulated under the Circular 28. Pursuant to the Circular 43, the restriction about funds "shall not be used to purchase residential properties for non-self-use purposes (except for enterprises engaged in real estate development or leasing operations)" has been removed from the negative list.

According to the Circular of the People's Bank of China and the State Administration for Foreign Exchange on Issues Concerning the Administration of Funds Raised by 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》) issued on December 24, 2025 and became effective from April 1, 2026, domestic enterprises conducting overseas listings shall, within 30 working days from the first trading date of their overseas listing or the completion of the over-allotment, apply to the banks at the provincial level of their place of registration for overseas listing registration formalities.

REGULATIONS ON OVERSEAS LISTING

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 Combating 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》), or the Opinions on Securities Activities. The Opinions on Securities Activities emphasize the need to strengthen the management of securities activities and the supervision of overseas listing of listed companies, both domestic and foreign, and propose effective measures, such as the promotion of the construction of a phase-by-phase supervisory system, to deal with the risks and events faced by listed companies in the PRC outside the PRC.

The Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines were promulgated by the CSRC on February 17, 2023 and turn into effect on March 31, 2023. The Overseas Listing Trial Measures has comprehensively improved and reformed the previous regulatory regime for overseas offering and listing of shares of PRC domestic companies and it regulates both direct and indirect overseas offering and listing of shares of PRC domestic companies by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, an enterprise in the PRC intending to issue securities and list in an overseas market directly or indirectly shall, within three (3) working days after submitting the listing application documents to the overseas regulator, file an application with the CSRC and submit the relevant materials.

The Overseas Listing Trial Measures provides that an overseas offering and listing of shares is explicitly prohibited under any of the following circumstances: (i) such offering and listing of shares is explicitly prohibited by PRC laws and regulations, (ii) the proposed offering and listing of shares has been reviewed by competent authorities under the State Council in accordance with law and is determined such proposed offering and listing of shares will endanger national security, (iii) the domestic company which proposed to offer and list its shares overseas, or its controlling shareholder(s) and the actual controller of the company, have committed crimes in relation to corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years, (iv) the domestic company which proposed to offer and list its shares overseas is currently under investigations due to suspected crimes or major violations of laws and regulations, and no conclusion has yet been made thereof, or (v) there are material ownership disputes over the shares held by controlling shareholder(s) or controlled by the controlling shareholder(s) and/or actual controller of the domestic company.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic 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**"), which starts to implement on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses documents and materials involving national secrets and working secrets of state organs ("relevant documents and materials") to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses relevant documents and materials through its overseas listing subjects, 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. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall complete the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and out-of-country transfers shall go through the examination and approval formalities in accordance with the relevant provisions of the State.