This section provides an overview of the current Chinese laws and regulations that apply to the Group and may have a material impact on its business and operations; however, it is not an exhaustive summary of all laws and regulations relevant to the Group's business and operations or of significance to potential investors. This section is intended to provide investors with an overview of the key laws and regulations applicable to the Group.

This overview is based on the laws and regulations in effect as of the date of publication of this document; such laws and regulations may be subject to subsequent amendments or changes.

REGULATIONS RELATING TO TOURISM BUSINESS AND TRAVEL AGENCIES

Regulations on Tourism Business

For the purposes of protecting the legitimate rights and interests of tourists and tourism operators, maintaining the order of the tourism market, protecting and making rational use of tourism resources, and promoting the sustainable and sound development of the tourism industry, the Standing Committee of the National People's Congress promulgated the Tourism Law of the People's Republic of China (中華人民共和國旅遊法) on 25 April 2013 and amended it on 7 November 2016 and 26 October 2018. Tourism Law of the People's Republic of China applies to tours, vacations, recreations and other forms of tourism activities within the territory of the PRC and including outbound tours but organized within the territory of the PRC and the incidental services provided. Pursuant to Tourism Law of the People's Republic of China, approval from the tourism authorities shall be obtained and industrial and commercial registration shall be made in accordance with the relevant PRC law in order to establish a travel agency, attract, organize and receive tourists, and provide tourism services, the following requirements shall be met: (i) have a fixed business site; (ii) equipped with the necessary business facilities; (iii) have registered capital that conforms to the regulations; (iv) have necessary management staff and tour guides; and (v) any other conditions as required by laws or administrative regulations.

Travel agencies may engage in the following businesses: (i) domestic tourism; (ii) outbound tourism; (iii) border tourism; (iv) inbound tourism; and (v) other tourism businesses. To engage in businesses (ii) and (iii) above, a travel agency must obtain the required business license. Specific requirements shall be set by the State Council of the PRC. Travel agencies are prohibited from leasing or lending their business licenses, or illegally transferring their business licenses in other forms.

Regulations Relating to Travel Agencies

For the purpose of strengthening administration of travel agencies, ensuring the legitimate rights and interests of tourists and travel agencies, maintaining the order of the tourism market and promoting the healthy development of the tourism industry, the Regulations on Travel Agencies were promulgated by the State Council on 20 February 2009, and amended on 6 February 2016, 1 March 2017 and 29 November 2020.

The term "travel agency" as mentioned in the Regulations on Travel Agencies shall refer to an enterprise legal person engaged in such activities as soliciting, organising and receiving tourists, provide tourists with relevant tourism services, and conduct domestic tourism business, inbound tourism business, or outbound tourism business.

A travel agency that has obtained its business operation permit for two full years and has not been subject to an administrative penalty of a fine or above imposed by administrative authorities for infringing upon the legitimate rights and interests of tourists may apply to engage in outbound tourism business. An applicant for the operation of outbound tourism business shall file an application to the competent tourism administrative authority under the State Council or the competent travel administration in the province, autonomous region or centrally-administered municipality as entrusted by the former.

A travel agency that establishes a branch office shall complete establishment registration with the administrative department for industry and commerce in the location of the branch office and file for record with the tourism administrative department in that location within 3 working days from the date of registration. There are no geographical restrictions on the establishment of travel agency branches. The scope of business of a branch office shall not exceed the scope of business of the travel agency that established it.

Travel agencies engaging in different types of tourism businesses shall deposit different quality assurance funds in different amounts. A travel agency operating the domestic tourism business and inbound tourism business shall deposit a quality assurance fund of RMB200,000; a travel agency operating the outbound tourism business shall make an additional deposit of RMB1,200,000 as quality assurance fund. A travel agency shall increase its amount of quality assurance fund by RMB50,000 in its special account for each branch it establishes to operate the domestic tourism business and inbound tourism business; shall increase its amount of quality assurance fund by RMB300,000 in its special account for each branch it establishes to operate the outbound tourism business. In the event of any violation by a travel agency of the Regulations on Travel Agencies, and its refusal to rectify such violation, its business permit for travel agencies shall be revoked.

Implementation Rules for the Regulations on Travel Agencies (旅行社條例實施細則) (the "Implementation Rules") were promulgated on 3 April 2009 by the China National Tourism Administration (whose functions are now exercised by the Ministry of Culture and Tourism of the People's Republic of China), came into effect on 3 May 2009 and amended on 12 December 2016 (the "Implementation Rules"). Pursuant to the Implementation Rules, outbound tourism business includes services provided to Chinese mainland residents for travel to Hong Kong, Macau and Taiwan region, as well as the outbound tourism service provided to the Chinese mainland residents, Hong Kong residents, and any Macau Special Administrative Region and Taiwan residents residing in the Chinese mainland. The travel agency who applies for outbound tourism business permit, shall have been operating for at least two years after acquiring the travel agency business operation license and shall not have been subject to a fine or more severe penalty due to violation of tourists' legitimate rights and interests. Foreign-invested travel agencies shall comply with the Regulations on Travel Agencies. Foreign-invested travel agencies applies the provisions of Chapter III of the Implementation Rules.

Foreign-invested enterprises applying to operate a travel agency business shall submit an application to the tourism administrative department of the province, autonomous region, or municipality directly under the central government where they are located, along with relevant supporting documents demonstrating compliance with the prescribed conditions. The tourism administrative departments of provinces, autonomous regions, and municipalities directly under the central government shall complete their review within 30 working days from the date of acceptance of the application.

Foreign-invested travel agencies shall not engage in outbound tourism business for Chinese mainland residents or in tourism business for Chinese mainland residents traveling to the Hong Kong, Macau Special Administrative Region and Taiwan region, unless otherwise provided for by decisions of the State Council of the PRC, any free trade agreements or the Mainland and Hong Kong and Macau Closer Economic Partnership Arrangements.

According to the "Reply of the State Council on Approving the Temporary Adjustment of the Implementation of Relevant Administrative Regulations and Departmental Rules Approved by the State Council in Six Cities Including Shenyang" (Guo Han [2024] No. 110), foreign-invested travel agencies established in Shenyang, Nanjing, Hangzhou, Wuhan, Guangzhou and Chengdu and meeting the relevant conditions are permitted to engage in outbound tourism business, excluding travel to the Taiwan region.

Regulations Relating to Tour Guides and Tour Leaders

According to the Tourism Law of the People's Republic of China (2018 Revision) (中華人民共和國旅遊法(2018修訂)), when organising an outbound touring group, or organising or receiving an inbound touring group, a travel agency shall, in accordance with the relevant provisions, arrange for a tour leader or tour guide to accompany the touring group. To provide such tour leader services, a person shall obtain a tour guide license, possess relevant educational background, language skills and experience in tourism, and enter into an employment contract with the travel agency licensed for outbound travel business which designates him/her to provide the tour leader services. A person who has passed the tour guide qualification examination and entered into an employment contract with a travel agency or registered in the relevant tourism industry organization may apply for a tour guide license. According to the Regulations on Travel Agencies, where a travel agency organises Chinese mainland residents to travel abroad, it shall arrange a tour leader to accompany the touring group.

Pursuant to the Implementation Regulations, a tour leader assigned by a travel agency for organising tourists for outbound tourism shall meet the following conditions: (i) obtaining a tour guide license; (ii) possessing a college degree or above; (iii) holding a relevant language level test certificate or having passed the foreign language tour guide qualification examination, except in case of a tour leader assigned to accompany tour groups traveling to Hong Kong, Macau and Taiwan; (iv) having at least two years of relevant work experience in travel agency business operations or management, or tour guide services; and (v) having entered into an employment contract with the travel agency holding a permit to operate an outbound tourism business. The tour leader who is assigned to accompany a tour group traveling to Taiwan shall also meet the requirements under the Measures for the Administration of the Travel of Mainland Residents to the Taiwan Region (大陸居民赴台灣地區旅遊管理辦法).

The Regulations on the Administration of Tour Guides (導遊人員管理條例) were promulgated on 14 May 1999 and revised on 7 October 2017. According to this regulation, the State Council implements a national unified tour guide qualification examination system. PRC citizens who have graduated from senior high school, technical secondary school or above, who are physically healthy and have basic knowledge and capability of language expressions suitable for a tour guide, may participate in the tour guide qualification examination. For those who have passed the examination, the tour guide qualification certificate shall be issued by the tourism administrative department of the State Council or by the tourism administrative department of the PRC government at provincial level, autonomous region or municipality directly under the PRC government, under the authorization of the tourism administrative department of the State Council.

Regulations Relating to Tourism safety

In order to strengthen the administration of tourism safety, Administrative Measures for Tourism Safety (旅遊安全管理辦法) (the "Administrative Measures") were promulgated by the China National Tourism Administration (whose functions are now exercised by the Ministry of Culture and Tourism of the People's Republic of China) on 27 September 2016 (the "Administrative Measures"). Pursuant to the Administrative Measures, tourism operators shall observe the following requirements: (i) ensuring that their service places, service items, facilities and equipment meet the requirements of the relevant safety laws, regulations and mandatory standards; (ii) recruiting the necessary safety and rescue personnel and installing relevant facilities and equipment; (iii) establishing a safety management and responsibility system; and (iv) guaranteeing capital investment in work safety.

Moreover, where travel agencies organize outbound tours, they shall make safety information cards. A safety information card shall include information such as the name, exit document number and nationality of a tourist as well as the contacts and contact information in an emergency, and the relevant information shall be filled out in Chinese and the official language of a destination country (or English). The travel agencies shall issue safety information cards to tourists for carrying in travel, and notify them of filling in such information as blood type, allergic medicines and serious diseases in person. Where a travel agency fails to prepare safety information cards as required, deliver such cards to tourists or inform the tourists of the relevant information, the competent tourism departments shall issue a warning, and may also impose a fine of up to RMB2,000; where the circumstances are serious, a fine of not less than RMB2,000 but not more than RMB10,000 shall be imposed.

REGULATIONS RELATING TO OVERSEAS INVESTMENT

Provisions of the Commerce Department on Overseas Investment by Domestic Enterprises

Pursuant to the Administrative Measures for Outbound Investment (境外投資管理辦法) promulgated by the MOFCOM on 6 September 2014 and effective from 6 October 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises. Overseas investments involving sensitive countries or regions, or sensitive industries, are subject to approval by the competent authorities. Any other circumstances of outbound investment by enterprises shall be subject to administration by record-filing.

When an overseas company invested by a domestic company conducts further overseas investment, the domestic company shall report to the commerce authorities after completing the overseas legal procedures. Where central enterprises are involved, such central enterprises shall submit the relevant information through the "Management System", print the "Report Form on Reinvestment by Chinese-funded Enterprises Overseas", affix their seal and submit it to MOFCOM; for cases involving local enterprises, the local enterprises shall submit the relevant information through the "Management System," print the "Reinvestment Report Form," affix their official seal, and submit it to the provincial-level commerce authority.

Provisions of the Development and Reform Department on Overseas Investment by Domestic Enterprises

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (企業境外投資管理辦法) promulgated by NDRC on 26 December 2017 and effective from 1 March 2018, PRC domestic enterprises (the "investors") conducting outbound investment shall complete the approval or record-filing procedures for outbound investment projects (the "Projects"), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the investors directly or through overseas enterprises controlled by them shall be subject to the management of approval; non-sensitive-category projects shall be undertaken directly by the investor. For projects jointly undertaken by two or more investors, the party with the larger investment share shall submit the application for approval or filing after obtaining the written consent of the other investors. If the investment amounts of all parties are equal, one of the parties shall, after reaching a consensus, submit an application for approval or filing. For the approved or filed projects, in the event of circumstances such as an increase or decrease in the number of investors or significant changes in the location of investment, the investor shall, prior to the occurrence of the relevant circumstances, apply to the authority that issued the approval document or filing notice for the project for approval of the change.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises, where an investor conducts a non-sensitive project with a Chinese investment amount of US$300 million or more through an overseas enterprise controlled by it, the investor shall submit a large-sum non-sensitive project status report through the network system and inform the NDRC of the relevant information before the implementation of the project. According to the 100 Questions and Answers on Approval and Record-filing for Outbound Investments published by the Department of Foreign Investment of the National Development and Reform Commission in May 2020, it is further clarified that where an investment entity carries out a non-sensitive project with a Chinese investment amount not exceeding US$300 million through an overseas enterprise under its control, and no domestic assets or interests are injected, nor is any financing or guarantee provided, the domestic enterprise is neither required to apply for record-filing nor required to submit the Information Report Form for Large Non-sensitive Projects.

Provisions of the Foreign Exchange Administration on Overseas Investment by Domestic Enterprises

According to the "Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment" issued by the State Administration of Foreign Exchange on 13 February 2015 and effective from 1 June 2015, the approval of foreign exchange registration for direct investment is canceled. Banks directly review and handle the foreign exchange registration for overseas direct investment. The State Administration of Foreign Exchange and its branches indirectly supervise the registration of foreign exchange for overseas direct investment through banks. Overseas enterprises set up or controlled by domestic investment entities are not required to apply for foreign exchange filing procedures for reinvestment abroad to set up or control new overseas enterprises.

Provisions of the State Council on Overseas Investment by Domestic Enterprises

The "Regulations of the State Council on Outbound Investment", issued by the State Council on June 1, 2026 and effective on July 1, 2026, regulate at the State Council level activities whereby domestic enterprises directly or indirectly acquire ownership, control, operation and management rights, and other related rights and interests in enterprises, assets, etc. in other countries (regions) through the contribution of assets or interests, or the provision of financing or guarantees. The Regulations provide that other relevant departments of the State Council shall conduct security reviews on the transfer or disposal of overseas investments and related assets, rights and interests, etc. that affect or may affect national security. Investors and the enterprises in which they invest in other countries (regions) shall improve their governance structures, establish and improve systems for compliant operations, internal control, workplace safety and emergency response, strengthen risk identification, prevention and handling, and invest the necessary resources, including personnel, funds and equipment, to safeguard the safety of their employees and assets.

Regulations on Foreign Investment

The Company Law of the PRC (中華人民共和國公司法), promulgated by the Standing Committee of the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "SCNPC") on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (鼓勵外商投資產業目錄(2025年版)) (the "Catalog"), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (外商投資准入特別管理措施(負面清單)(2024年版)) (the "Negative List"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which were issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the "NDRC") and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "MOFCOM"). The Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Catalog or the Negative List are generally deemed as falling into a fourth category, "permitted", unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the "FIL"), promulgated by the National People's Congress (全國人民代表大會) on March 15, 2019, effective from January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例) (the "Implementing Regulation for the Foreign Investment Law"), promulgated by the State Council (國務院) on December 26, 2019, effective from January 1, 2020, are the principal existing laws and regulations governing foreign investment in the PRC. The promulgation of the Foreign Investment Law and the Implementing Regulation for the Foreign Investment Law aim to further expand opening-up, promote foreign investment actively, protect the legitimate rights and interests of foreign investors, and regulate foreign investment management. Pursuant to the Foreign Investment Law and the

Implementing Regulation for the Foreign Investment Law, the PRC adopts a system of pre-establishment national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

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

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (外商投資安全審查辦法), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China shall apply for security review before making any of the following investments: (i) investments in the military industry, industries ancillary to the military industry and other fields relating to national defense security, as well as investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security, where actual control over the invested enterprise is obtained.

REGULATIONS RELATING TO OVERSEAS LISTING

In relation to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Overseas Listing Trial Measures") and five relevant guidelines, which became effective on March 31, 2023. Meanwhile, the Special Provisions of the State Council for the Share Offerings and Listings Overseas of Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) and the Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (國務院關於進一步加強在境外發行股票和上市管理的通知), which were previously the main institutional basis for overseas offering and listing by domestic enterprises, were repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provide that an overseas offering and listing is prohibited under any of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the State; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws; (iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures also provide that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering and listing by PRC domestic enterprises: (i) any one of the domestic enterprise's operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer's audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its principal place of business is located in mainland China, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in mainland China. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, CSRC, the Ministry of Finance of the PRC (財政部), National Administration of State Secrets Protection (國家保密局), and National Archives Administration (國家檔案局) promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (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(證監會公告[2023]44號)) on February 24, 2023, which came into effect on March 31, 2023, and at the same time, replaced the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (關於加強在境外發行證券與上市相關保密和檔案管理工作的規定(證監會公告[2009]29號)). These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

In relation to the [REDACTED] of H Shares

The Guidelines for the Application of "**[REDACTED]**" of Domestic Unlisted Shares of H-share Companies (2023 Revision) (H股公司境內未上市股份申請"全流通"業務指引(2023修訂)) were issued and implemented by the CSRC on August 10, 2023. According to such guidelines, unlisted domestic joint-stock limited companies may file with the CSRC for "**[REDACTED]**" simultaneously at the time of their overseas initial public offering and listing.

The Notice of China Securities Depository and Clearing Co., Ltd Shenzhen Branch on the Release of China Securities Depository and Clearing Co., Ltd Shenzhen Branch H-shares "**[REDACTED]**" Business Guidelines (中國結算深圳分公司關於發佈〈中國證券登記結算有限責任公司深圳分公司H股全流通業務指南的通知〉), which was published by CSDC Shenzhen Branch on June 27, 2025 and came into effect on June 30, 2025, specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. China Securities Depository and Clearing (Hong Kong) Co., Ltd also published the Guide to the Program for **[REDACTED]** of H shares (中國證券登記結算(香港)有限公司H股全流通業務指南) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Co., Ltd, arrangement for settlement and delivery and other relevant matters.

REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Regulations Relating to Cybersecurity and Data Security

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法), which took effect on June 1, 2017. According to the Cybersecurity Law of the People's Republic of China, network constructors, network operators, and service providers that provide services via networks are obligated to take technical and other necessary measures to ensure the security and stable operation of networks, maintain the integrity, confidentiality and availability of network data, and furthermore provide technical assistance and support in accordance with the law for public security and national security authorities to protect national security or assist with criminal investigations. On October 28, 2025, the Standing Committee of the National People's Congress adopted the "Decision of the Standing Committee of the National People's Congress on Amending the Cybersecurity Law of the People's Republic of China," which took effect on January 1, 2026. The decision includes provisions to promote the safe development of artificial intelligence and to improve the system of legal liability under the Cybersecurity Law of the People's Republic of China.

On July 30, 2021, the State Council promulgated the Provisions on Protection of Critical Information Infrastructure Security (關鍵信息基礎設施安全保護條例), which took effect on September 1, 2021, and provides that "critical information infrastructure" refers to important network facilities and information systems involved in important industries and fields such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense related science and technology industry, as well as those which may seriously endanger national security, the national economy and people's livelihood, and the public interest if damaged, malfunctioned, or if leakage of data relating thereto occurs. Pursuant to these provisions, the relevant government authorities are responsible for formulating the rules on identifying critical information infrastructures and organizing to identify such critical information infrastructures in the related industries and fields, taking into account the factors set forth in the provisions and shall notify the operators once they are identified as critical information infrastructure operators.

On December 28, 2021, the CAC along with several other administrative departments issued the Revised Cybersecurity Review Measures (網絡安全審查辦法), which took effect on February 15, 2022, and replaced the Measures for Internet Security Review promulgated on April 13, 2020. This regulation provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities, which affect or may affect national security, must apply for cybersecurity review and that a platform operator with more than one million users' personal information aiming to list abroad must apply for cybersecurity review.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (中華人民共和國數據安全法) (the "Data Security Law"), effective from September 1, 2021. The PRC Data Security Law stipulates data security and privacy protection obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the PRC Data Security Law provides for a national security review procedure for those data activities which may affect national security, and imposes export restrictions on certain data and information. No entity or individual within the territory of the PRC may provide foreign judicial or law enforcement authorities with the data stored within the territory of the PRC without the approval of the competent PRC authorities.

Regulations Relating to Protection of Personal Information

Pursuant to the Civil Code of the PRC (中華人民共和國民法典), which was promulgated by the National People's Congress on May 28, 2020, and became effective on January 1, 2021, the personal information of a natural person shall be protected by law. Any organization or individual that needs to collect, use, process, transmit, offer, disclose the personal information of others shall do so in accordance with the law and ensure information security, and may neither illegally collect, use, process or transmit the personal information of others, nor illegally trade, provide or disclose the personal information of others. Anyone whose civil rights and civil interests, including personal information, are infringed upon shall have the right to seek tort liability against the infringer.

On August 20, 2021, 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 "PIPL") was adopted by the Standing Committee of the National People's Congress and became effective on November 1, 2021. As the first systematic and comprehensive law promulgated specifically for the protection of personal information in the PRC, the Personal Information Protection Law of the People's Republic of China provides, among others, that (i) an individual's separate consent must be obtained before processing such individual's sensitive personal information, e.g. biometric characteristics and individual location tracking; (ii) where a personal information handler processes sensitive personal information, it shall inform the individual of the necessity of processing such sensitive personal information and the impact thereof on the individual's rights and interests; and (iii) if personal information handlers reject individuals' requests to exercise their rights, individuals may file a lawsuit with a People's Court. Where personal information is processed in violation of the provisions of this Law or without fulfilling the personal information protection obligations provided in this Law, the departments with personal information protection duties shall order the violator to make corrections, give a warning, confiscate the illegal gains, and order the suspension or termination of provision of services by the applications that illegally process personal information; where it refuses to make corrections, a fine of not more than RMB1 million shall also be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined for not less than RMB10,000 but not more than RMB100,000.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the PRC (中華人民共和國商標法) and the Regulation on the Implementation of the Trademark Law of the PRC (中華人民共和國商標法實施條例) govern trademark registration, protection, and usage in PRC. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the "first-to-file" principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the "NIPA").

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office shall publish the renewed registration of the trademark. Trademark registrants can authorize others to use their registered trademarks via licensing contracts, but licensing details must be filed with the Trademark Office. If the license is not filed, it may not be asserted a bona fide third parties. Quality supervision is the licensor's responsibility, and licensees must maintain product quality when using the registered trademark.

Patents

The Patent Law of the PRC (中華人民共和國專利法) and the Implementation Rules of the Patent Law of the PRC (中華人民共和國專利法實施細則) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. The departments for patent administration of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall be responsible for patent administration within their respective administrative areas.

The Patent Law and its Implementation Rules recognize three patent types: "invention," "utility model," and "design." Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. The term of an invention patent is 20 years, the term of a design patent is 15 years, and the term of a utility model patent is 10 years, all counted from the date of filing.

Copyrights

According to the Copyright Law of the PRC (中華人民共和國著作權法) promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (中華人民共和國著作權法實施條例) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal entities or unincorporated organizations, whether published or not, shall enjoy copyright. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, including written works, oral works, photographic works, video and audio works, and computer software. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

In accordance with the Regulations on the Protection of Computer Software (計算機軟件保護條例) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, with the latest revision effective on March 1, 2013, a Chinese citizen, legal person or other organization is entitled under the copyright of the software he/it has developed, including the right of publication, right of acknowledgment, right of alteration, right of reproduction, right of distribution, right of leasing, right of dissemination, right of translation and other rights that software copyright owners shall have, regardless of whether such software has been published.

In accordance with the Measures for Registration of Computer Software Copyright (計算機軟件著作權登記辦法) promulgated by the National Copyright Administration on April 6, 1992 and last amended on February 20, 2002, with the latest revision effective on the same date, software copyrights, exclusive software copyright licensing contracts and transfer contracts shall be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and has certified the China Copyright Protection Center as the institution responsible for software registration. Applications that comply with the rules shall be granted registration, and a corresponding registration certificate shall be issued by the China Copyright Protection Center.

Domain Names

According to the Measures for the Administration of Internet Domain Names (互聯網域名管理辦法) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (國家頂級域名註冊實施細則) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China's Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration follows the principle of "first application for the first registration". Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

REGULATIONS RELATING TO PROPERTY LEASING

According to the Civil Code of the PRC, with the consent of the lessor, the lessee may sublease the leased property to a third party. In the case of subleasing by the lessee, the lease contract between the lessee and the lessor remains valid; if the third party causes damage to the leased property, the lessee shall bear the compensation liability. Any transfer of ownership of the leased property during the lessee's possession period under the lease contract does not affect the validity of the lease contract.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (中華人民共和國城市房地產管理法), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (商品房屋租賃管理辦法) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. On July 16, 2025, the State Council issued the Housing Leasing Regulations (住房租賃條例), which became effective from September 15, 2025. Under the Regulations, Lessors shall file the housing lease contract with the real estate administration department at the location of the leased housing through the Housing Rental Management Service Platform or other means. If the lessor fails to file the housing lease contract, the lessee may do so instead.

According to the Civil Code of the PRC, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (中華人民共和國勞動法) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and provide employees with education and training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (中華人民共和國勞動合同法) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (中華人民共和國勞動合同法實施條例) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. When recruiting employees, employers shall truthfully inform them of the job content, working conditions, work location, occupational hazards, work safety conditions, remuneration, and any other information that the employees request.

Social Insurance and Housing Provident Funds

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (社會保險費徵繳暫行條例) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (國務院辦公廳關於印發〈生育保險和職工基本醫療保險合併實施試點方案〉的通知) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty of not less than one time but not more than three times the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the competent administrative department.

In accordance with the Regulations on the Administration of Housing Provident Fund (住房公積金管理條例), which were promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, respectively, employers shall pay and deposit housing provident funds on time and in full amount. Late or insufficient payments shall be prohibited. Employers shall process housing provident fund payment and deposit registrations with the housing provident fund management center. If an employer fails to process housing provident fund payment and deposit registrations or go through the formalities of opening housing provident fund accounts for its employees in violation of the aforesaid laws and regulations, the housing provident fund management center shall order it to complete such formalities within a prescribed time limit. If the employer fails to comply with the deadline, a fine ranging from RMB10,000 to RMB50,000 may be imposed. An employer that fails to contribute or under-contributes to the housing provident fund by the prescribed deadline in violation of these regulations shall be ordered by the housing provident fund management center to make the contributions within a stipulated time. Where the contribution has not been made after the expiration of the time limit, an application may be made to the people's court for compulsory enforcement.

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)), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its 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 the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims.

REGULATIONS RELATING TO PRC TAXATION

Income Tax Law

According to the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (中華人民共和國企業所得稅法實施條例) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise that is established inside China, or which is established under the law of a foreign country (region) but whose actual office of management is inside China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in the PRC, but which have establishments or places in the PRC, or which have no such institutions or establishments but have income generated from inside the PRC. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. Qualifying small low-profit enterprises are subject to enterprise income tax at a reduced rate of 20%. High and new technology enterprises that are encouraged by the PRC are subject to enterprise income tax at a reduced rate of 15%.

Income Tax on Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) and relevant protocols, which were promulgated by the SAT on August 21, 2006, came into effect on December 8, 2006, a 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (非居民納稅人享受協定待遇管理辦法), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and retaining relevant materials for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

Value-added Tax

Pursuant to the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則) which was promulgated by the MOF on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax. Unless otherwise stipulated, taxpayers providing services or selling intangible assets shall be subject to a VAT rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知(財稅[2016]第36號)) promulgated by the MOF and the SAT on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017 and March 20, 2019, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the State, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37) (關於簡併增值稅稅率有關政策的通知(財稅[2017]37號)), announced by the MOF and the SAT on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be abolished. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified.

According to the Circular on Adjusting Value-added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (財政部、國家稅務總局關於調整增值稅稅率的通知(財稅[2018]32號)) announced by the MOF and the SAT on April 4, 2018 and effective on May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable VAT rates of 17% and 11% are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39) (關於深化增值稅改革有關政策的公告(財政部、稅務總局、海關總署公告2019年第39號)) announced by the Ministry of Finance, the SAT, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.