
REGULATORY OVERVIEW

This section sets forth an overview of the current PRC Laws and regulations applicable to the Company and that may have a substantial influence on the Company and its operations. The primary purpose of this overview is to provide potential [REDACTED] with a general understanding of the major laws and regulations applicable to the Company.

This overview is not a complete description of all laws and regulations applicable to the Company’s business and operations and/or that may be important to potential [REDACTED].

REGULATIONS AND POLICIES RELATED TO THE DATA INFRASTRUCTURE INDUSTRY

Guidance Catalogue for Industrial Structure Adjustment

According to the Guidance Catalogue for Industrial Structure Adjustment (2024 Edition) (《產業結構調整指導目錄(2024年本)》) issued by the National Development and Reform Commission of the PRC (“NDRC”) on December 27, 2023 and effective on February 1, 2024, big data, cloud computing, software, information technology services, and blockchain information services within the scope permitted by China are encouraged industries.

The 14th Five-Year Plan for the Development of the Software and information technology Services Industry

The 14th Five-Year Plan for the Development of the Software and Information technology Service Industry” (MIIT Regulation [2021] No. 180) (《“十四五”軟件和信息技術服務業發展規劃》工信部規[2021]180號), issued by the Ministry of Industry and Information Technology of the PRC on November 15, 2021, clearly states that the development of software-defined computing, software-defined storage, and software-defined networking should be accelerated, with a focus on the development of emerging software-defined platforms such as industrial internet, cloud computing, big data, artificial intelligence, and autonomous driving.

Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035

The National People’s Congress of the PRC promulgated the Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) on March 11, 2021, and it took effect on the same day. The outline clearly states that China should focus on key areas such as high-end chips, operating systems, key algorithms for artificial intelligence, and sensors, and that China should accelerate technological research and development and promote breakthroughs in basic theories, basic algorithms, and equipment materials.

Policies related to the software industry

In July 2020, the State Council issued the Notice on Issuing Several Policies to Promote the high-quality development of the integrated circuit Industry and the Software Industry in the New Era (Guo Fa [2020] No. 8) (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》(國發[2020]8號)), which proposed to further optimize the development environment of the software industry and provide support in terms of fiscal and tax policies, investment and financing policies, R&D and development policies, import and export policies, talent policies, Intellectual Property Rights policies, market application policies and international cooperation policies.

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In June 2012, the State Council issued the Opinions on Vigorously Promoting the Development of Informatization and Effectively Safeguarding Information Security (Guo Fa [2012] No. 23) (《國務院關於大力推進信息化發展和切實保障信息安全的若干意見》(國發[2012]23號)), which pointed out the need to vigorously promote the development of informatization and effectively safeguard information security.

In December 2011, the General Office of the State Council issued the Guiding Opinions on Accelerating the Development of technical service (Guo Ban Fa [2011] No. 58) (《國務院辦公廳關於加快發展高技術服務業的指導意見》(國辦發[2011]58號)), which clearly defined information technology services as a technical service and provided policy support in terms of financial and tax support, financing channels, market environment, market demand, innovation capabilities, talent training and external collaborations.

In January 2011, the State Council issued the Notice on Issuing Several Policies to Further Encourage the Development of the Software Industry and the integrated circuit Industry (Guo Fa [2011] No. 4) (《國務院關於印發進一步鼓勵軟件產業和集成電路產業發展若干政策的通知》(國發[2011]4號)), which proposed to provide support to software enterprises in terms of fiscal and tax policies, investment and financing policies, research and development policies, import and export policies, talent policies, intellectual property rights policies, market policies, and policy implementation.

Regulations related to 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 People’s Republic of China (“NPCSC”) on December 29, 1993, and last revised on December 29, 2023, and effective on July 1, 2024, governs the establishment, operation, and management of companies in China (including foreign investment companies). Unless otherwise provided by foreign investment laws, foreign investment companies must comply with the Company Law of the PRC.

Foreign investment in China is subject to the Catalog of Industries Encouraged for foreign investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “Catalogue”) promulgated by the NDRC and the Ministry of Commerce of the PRC (“MOFCOM”) (promulgated on 15 December 2025 with effect from 1 February 2026) and the Special Administrative Measures for the Access to foreign investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “Negative List”) (promulgated on 6 September 2024 with effect from 1 November 2024). The Catalogue specifies the industrial sectors in which foreign investment is encouraged, and the Negative List specifies special administrative measures on the sectors where foreign investment is restricted or prohibited, and for the sectors not covered by the Negative List, administration is implemented under the principle of equal treatment for domestic and foreign investment.

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”), promulgated by the National People’s Congress on March 15, 2019, and effective from January 1, 2020, and the Implementing Regulations of the foreign investment law of the People’s Republic of China (《中華人民共和國外商投資法實施條例》) (“the Implementation Regulations on the Foreign Investment Law”), promulgated by the State Council on December 26, 2019, and effective from January 1, 2020, are the main existing laws and regulations governing foreign investment in China. The promulgation of the foreign investment law and the Implementation Regulations on the Foreign Investment Law aims to further expand opening up to the outside world, actively promote foreign investment, protect the lawful interest of foreign investment, and regulate the management of foreign investment. According to the foreign investment law and the Implementation Regulations on the Foreign Investment Law, China implements a pre-establishment national treatment plus Negative List management system for foreign investment. Foreign investment not included in the Negative List issued or approved by the State Council is granted national treatment.

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On December 30, 2019, the Ministry of Commerce and the State Administration for Market Regulation (“SAMR”) promulgated the FI Information Reporting Measures (《外商投資信息報告辦法》) (the “Reporting Measures”), which took effect on January 1, 2020. The Reporting Measures regulate the reporting of information related to foreign investment in China. According to the Reporting Measures, foreign investors and foreign-invested enterprises that directly or indirectly conduct investment activities in China should submit investment information to the competent commerce authorities by submitting initial reports, change reports, cancellation reports, annual reports and so forth.

The Measures for Security Review of foreign investment (《外商投資安全審查辦法》), jointly issued by the National Development and Reform Commission and the Ministry of Commerce on December 19, 2020, and effective on January 18, 2021, stipulates the working mechanism for security review of foreign investment, including the types of investments that must be reviewed, the scope of review, and the procedures. Foreign investors or relevant parties within China shall submit a security review declaration before implementing the following investments: (i) investments in military industry, military supporting industries, and other fields related to national defense security, as well as investments in the vicinity of military facilities and military industrial facilities; and (ii) investments in important agricultural products, important energy and resources, major 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 related to national security, and obtain substantial control of the invested enterprises.

Regulations related to overseas listings

On February 17, 2023, the China Securities Regulatory Commission issued 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 supporting guidelines, which took effect on March 31, 2023. The previous institutional foundations for overseas issuance and listing by domestic enterprises, the Special Provisions on Companies Limited by Shares Issuing Shares and Offshore Public Listing by State Council (《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 Notice of the State Council on Further Strengthening the Administration of Overseas Share certificates and Listing of Stocks (《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》) were simultaneously repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, Chinese companies seeking to issue securities and list directly or indirectly in overseas markets must complete the filing procedures and submit relevant materials to the China Securities Regulatory Commission. The Overseas Listing Trial Measures stipulates that overseas listing is prohibited under any of the following circumstances: (i) listing and financing are explicitly prohibited by laws, administrative regulations, or relevant national provisions; (ii) overseas listing may endanger national security, as determined by the relevant competent department of the State Council in accordance with the law; (iii) the domestic company or its controlling shareholders or de facto controllers has committed criminal offenses such as embezzlement, bribery, misappropriation of property, or disruption of the socialist market economy order within the past three years; (iv) the domestic company is under investigation for suspected crimes or major violations of laws and regulations, and no clear conclusion has been reached; or (v) there are major ownership disputes regarding the equity interests held by the controlling shareholders or shareholders controlled by the controlling shareholders or de facto controllers.

The Overseas Listing Trial Measures also stipulates that an issuer shall be deemed to be an indirect overseas listing by a domestic enterprise if it meets the following conditions: (i) any one of the following indicators — operating revenue, total profits, total assets, or net assets — of the domestic enterprise in the most recent fiscal year accounts for more than 50% of the relevant data in the issuer’s audited consolidated financial statements for the same period; and (ii) the main links

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of operating activities are carried out in China or its principal place of business is located in China, or most of its executive officers responsible for operation and management are Chinese citizens or habitually reside in China. When an issuer applies to the relevant overseas regulatory body for an initial public offering, it shall file a record with the CSRC. The Overseas Listing Trial Measures also stipulates that if a major event such as a change of control, voluntary termination of listing, or mandatory termination of listing occurs after the issuer’s overseas listing, it shall report the specific circumstances to the China Securities Regulatory Commission.

To strengthen the confidentiality and record management of domestic enterprises’ overseas issuance and listing, the China Securities Regulatory Commission, together with the Ministry of Finance, the National Administration of State Secrets Protection, and the State Archives Administration, issued the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (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 took effect on March 31, 2023. These regulations now cover domestic joint stock companies that directly list overseas and domestic operating entities that indirectly list overseas. They outline procedural requirements and clarify corporate confidentiality responsibilities and accounting record management requirements, consistent with the Overseas Listing Trial Measures.

Regulations related to anti-monopoly and anti-unfair competition

According to the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), adopted by the Standing Committee of the National People’s Congress on September 2, 1993, effective on December 1, 1993, most recently revised on June 27, 2025 and implemented on October 15, 2025, unfair competition refers to the actions of business operators in their production and operating activities that violate the provisions of the Anti-Unfair Competition Law of the People’s Republic of China, disrupt market competition order, and harm the lawful interests of other business operators or consumers. According to the Anti-Unfair Competition Law of the People’s Republic of China, business operators in market transactions should adhere to the principles of voluntariness, equality, fairness, and good faith, and abide by laws and business ethics. Business operators who violate the Anti-Unfair Competition Law of the People’s Republic of China should bear corresponding civil, administrative, or criminal liability depending on the specific circumstances.

On February 7, 2021, the State Council Anti-Monopoly Commission issued the Anti-Monopoly Guidelines on the Platform Economy Sector (《關於平台經濟領域的反壟斷指南》). These guidelines outline several behaviors that, if lacking justifiable justification, may constitute an abuse of market dominance. Furthermore, the guidelines explicitly stipulate that mergers involving variable interest entity must also comply with anti-monopoly filing requirements.

On June 24, 2022, the Standing Committee of the National People’s Congress passed an amendment to the Anti-Monopoly Law of the People’s Republic of China (《中華人民共和國反壟斷法》). The amendment introduced a “safe harbor” rule for vertical monopoly agreements signed by operators whose market share is below a specific threshold stipulated by the State Administration for Market Regulation, granted the State Administration for Market Regulation the power to suspend the calculation of the review period during merger investigations under specific circumstances, and allowed procuratorial organs at the prefecture-level city or above to initiate civil public interests litigation on the grounds of monopolistic behavior. It also significantly increased the penalties for violations of the Anti-Monopoly Law of the People’s Republic of China. The amendment emphasized the enforcement of the Anti-Monopoly Law of the People’s Republic of China in the internet and other key industries.

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On January 22, 2024, the State Council issued the "Provisions on Standards for Declaration of Concentration of Undertakings (《關於經營者集中申報標準的規定》)", which further clarified the factors to be considered in determining whether an enterprise has acquired control over other enterprises or may exert decisive influence over other enterprises.

On May 6, 2024, the State Administration for Market Regulation issued the Interim Provisions on Anti-Unfair Competition Online (《網絡反不正當競爭暫行規定》), which took effect on September 1, 2024. These provisions provide a regulatory basis for preventing and stopping unfair competition online, maintaining a fair and competitive market order, encouraging innovation, protecting the lawful interests of businesses and consumers, and promoting the standardized, sustainable, and healthy development of the digital economy.

REGULATIONS RELATED TO CYBERSECURITY AND DATA PROTECTION

On May 18, 2006, the State Council issued the Regulations on the Protection of the Right to Disseminate Information Online (《信息網絡傳播權保護條例》), which was later revised on January 30, 2013, according to the Decision of the State Council on Amending the Regulations on the Protection of the Right to Disseminate Information Online (State Council Decree No. 634) (《國務院關於修改〈信息網絡傳播權保護條例〉的決定》(國務院令第634號)). The regulations stipulate that any organization or individual providing the works, performances, or sound recordings/video recordings of others to the public through information networks must obtain permission from the rights holder and pay remuneration. Network Service Providers that provide information storage space to their users and fulfill their relevant obligations as stipulated are not liable for compensation. If a rights holder believes that the works, performances, or sound recordings/video recordings provided by Network Service Providers infringe upon their right to disseminate information online, they may submit a written notice to the network Service Providers requesting the removal of the work, performance, or sound recording/video recording, or the disconnection of the link to the work.

On June 22, 2007, the Ministry of Public National Administration of State Secrets Protection, the State Council Information Office (now defunct), and the State Cryptography Administration jointly issued the Administrative Measures for Information Security Level Protection (《信息安全等級保護管理辦法》), stipulating that the information system security protection can be divided into five levels. The information system already in operation at Level 2 or above must, within 30 days of their security protection level being determined, have their operating and user units complete the registration procedures with the public security organ at the prefecture-level city or above in their locality. The newly-built information systems at Level 2 or above must, within 30 days of being put into operation, have their operating and user units complete the registration procedures with the public security organ at the prefecture-level city or above in their locality.

On July 16, 2013, the Ministry of Industry and Information Technology promulgated the Regulations on the Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), which took effect on September 1, 2013. The regulations stipulate that telecommunications business operators and internet information service providers must adhere to the principles of legality, legitimacy, and necessity when collecting and using users' personal information in the course of services rendered, and are responsible for the security of users' personal information. Telecommunications business operators and internet information Service Providers may not collect or use users' personal information without the user's consent. Telecommunications business operators and internet information Service Providers must take technical measures and other necessary measures to ensure information security and prevent the leakage, damage, or loss of users' personal information.

On February 4, 2016, the State Administration of Press, Publication, Radio, Film and Television of Ministry of Industry and Information Technology of the PRC jointly issued the Regulations on the Administration of Online Publishing Services (《網絡出版服務管理規定》), which took effect on March 10, 2016. According to these regulations, engaging in online publishing services requires approval from the relevant publishing administration department and the acquisition of an Online Publishing Service License. Online publishing service providers must display the Online Publishing Service License number issued by the relevant publishing

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administration department on their website homepage. Online publications must not contain content prohibited by laws and administrative regulations. Online publishing service providers must record the content of the published works, along with the publication date, URL, or domain. These records must be retained for 60 days and provided to relevant national departments upon lawful inquiry.

On November 7, 2016, the Standing Committee of the National People’s Congress promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “Cybersecurity Law”), which took effect on June 1, 2017 and was amended on October 28, 2025 with effect from January 1, 2026. According to the Cybersecurity Law, the state implements a graded protection system for cybersecurity. Network operators must comply with laws and regulations and fulfill their cybersecurity protection obligations when conducting business and Services rendered. Those who provide services through the network shall, in accordance with the mandatory requirements of laws, regulations, and national standards, take technical measures and other necessary measures to ensure network security and stable operation, effectively respond to cybersecurity incidents, prevent cybercrime, and maintain the integrity, confidentiality, and availability of network data. Personal information and important data collected and generated by operators of critical information infrastructure during their operations within China shall be stored within China. If it is necessary to provide such information to overseas entities due to business needs, a security assessment shall be conducted in accordance with the methods formulated by the State Internet Information Office in conjunction with relevant departments of the State Council; where laws and administrative regulations stipulate otherwise, those provisions shall prevail. The procurement of network products and services by operators of critical information infrastructure that may affect national security shall undergo national security review.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), together with 12 other departments, jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》) (the “CAC Measures”). The CAC Measures officially took effect on February 15, 2022, replacing the previous version issued on April 13, 2020. The CAC Measures stipulates that: (i) network platform operators conducting data processing activities that affect or may affect national security shall undergo cybersecurity review; (ii) network platform operators possessing the personal information of more than 1 million users must apply for cybersecurity review to the Cybersecurity Review Office before listing overseas; and (iii) operators of critical information infrastructure must also undergo cybersecurity review when procuring network products and services that affect or may affect national security. Given that (i) we are an independent distributed AI storage solution provider in the PRC and our products serve as infrastructure-layer technical tools for data storage, we do not access, process or control the content of data stored by our clients, and the data we process in the ordinary course of business is limited to basic commercial information of our suppliers and customers for internal management purposes, which, with reference to Article 10 of the CAC Measures, does not involve core data, important data or personal information of a large number of users, nor the security of critical information infrastructure; (ii) the proposed [REDACTED] in Hong Kong does not constitute “listing abroad” under Article 7 of the CAC Measures; and (iii) we have not been identified as a critical information infrastructure operator by any competent authorities, our PRC Legal Advisor is of the view that we are not subject to the CAC Measures.

On June 10, 2021, the Standing Committee of the National People’s Congress promulgated 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”), which took effect on September 1, 2021. Based on the importance of data in Economic and social development, and the degree of harm that alteration, damage, leakage, or illegal acquisition or use would cause to national security, public interests, or the lawful interests of individuals and organizations, the Data Security Law establishes a data classification and grading protection system. The law also stipulates security review procedures for data activities that may affect national security. Furthermore, the Data Security Law stipulates that processors of important data must designate a data security officer and management organization, implement data security protection responsibilities, and that such processors must conduct regular risk evaluation of their data processing activities and submit risk evaluation reports to the relevant competent authorities.

On July 7, 2022, the CAC issued the Measures for Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. The Measures stipulate that data processors must conduct security assessments when providing important data

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collected and generated during operations within China, or personal information that is legally required to undergo security assessment, to overseas recipients. On March 22, 2024, the CAC released the Regulations on Promoting and Regulating Cross-border Data Flow (the “New Data Transfer Regulations”), which also took effect on the same day. The New Data Transfer Regulations state that in case of conflict with the Measures for Security Assessment of Cross-border Data Transfer, the New Data Transfer Regulations shall prevail. The New Data Transfer Regulations clarify the circumstances under which certain obligations related to cross-border data transmission (including passing data transfer security assessments, entering into standard contracts for cross-border personal information transfer, and passing personal information protection certification) can be exempted.

On December 8, 2022, the Ministry of Industry and Information Technology issued the Administrative Measures for Data Security in the Industrial and Information Technology Sector (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which took effect on January 1, 2023. Data processors in the industrial and information technology sector shall bear primary responsibility for the security of their data processing activities, implement graded protection for various types of data, and when different levels of data are processed simultaneously and it is difficult to take separate protection measures, protection shall be implemented according to the highest level of requirements to ensure that the data is continuously under effective protection and can be legally used.

On September 24, 2024, the State Council promulgated the Regulations on Cyber Data Security (《網絡數據安全管理條例》) which has come into effect on January 1, 2025. The Regulations on Cyber Data Security aims to implement the general requirements for data security management in the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law and reiterate general provisions for data processing activities, rules for personal information protection, protection of important data security, cross-border security management of network data, and the obligations of network platform service providers.

Regulations related to Intellectual Property Rights

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern the registration, protection, and use of trademarks in China. The Trademark Law was promulgated on August 23, 1982, and last amended on April 23, 2019, and became effective from November 1, 2019 under the “first-to-file” principle. The Law grants exclusive rights to trademark registrants and is administered by the Trademark Office of the China National Intellectual Property Administration (the “China National Intellectual Property Administration”). A registered trademark is valid for ten years and can be renewed for ten years. Renewal procedures must be made within 12 months prior to the expiration of the term, subject to a grace period of six months. The Trademark Office shall announce the renewal of the registration of the trademark. A trademark registrant may license others by entering into a licensing contract, but the licensing details must be recorded with the Trademark Office. No action may be taken against a bona fide third party without the filing. The licensor shall supervise the product quality, and the licensee shall maintain the product quality when using the registered trademark.

Patent

The Patent Law of the People’s Republic of China (《中華人民共和國專利法》) and the Regulations for the Implementation of the Patent Law of the People’s Republic of China (《中華人民共和國專利法實施細則》) regulate patenting activities in China. The Patent Law was promulgated on March 12, 1984, last amended on October 17, 2020, and shall come into force on June 1, 2021. The China National Intellectual Property Administration oversees patent work across the country. The patent administration departments of the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for the administration of patents within their respective administrative regions.

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The Patent Law and its Implementation Regulations recognize three types of patents: “invention”, “utility model” and “design”. Invention patents include new technical solutions proposed for products, methods or their improvements. A utility model patent applies to practical technical solutions proposed for the shape, structure or combination thereof of a product. Design patents protect new aesthetic designs of products, including shapes, patterns and combinations of colors. The term of an invention patent right is 20 years, that of a design patent right is 15 years and that of a utility model patent right is 10 years, calculated from the filing date.

China follows the “first-to-file” principle, granting patent rights to the earliest applicant for the same invention. Inventions and utility models granted patent rights must possess novelty, inventiveness, and industrial applicability. The patentee’s rights are protected by law, and others are only permitted to use the patent with proper authorization. Unless otherwise stipulated by law, unauthorized use constitutes patent infringement.

Copyright

According to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), promulgated by the Standing Committee of the National People’s Congress on September 7, 1990, revised on November 11, 2020, and implemented on June 1, 2021, and the Implementing Regulations of the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002, revised on January 30, 2013, and implemented on March 1, 2013, works by Chinese citizens, legal persons, or unincorporated organizations, whether published or not, enjoy copyright. A work refers to an original intellectual creation in the fields of literature, art, and science that can be expressed in a certain form, including written works, oral works, photographic works, audiovisual works, computer software, etc. Copyright holders enjoy multiple rights, including the right of publication, the right of attribution, and the right of reproduction.

According to 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 revised on January 30, 2013, with the latest revised version taking effect on March 1, 2013, Chinese citizens, legal persons, or other organizations enjoy copyright (including the right of publication, the right of attribution, the right of modification, the right of reproduction, the right of distribution, the right of rental, the right of communication to the public via information networks, the right of translation, and other rights that software copyright holders should enjoy) in the software they develop, regardless of whether the software has been published.

According to the Regulations on 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 April 6, 1992, and revised on February 20, 2002, with the latest revision taking effect on the same day, software copyrights, proprietary software copyright licensing agreements, and transfer agreements must be registered. The National Copyright Administration is the competent authority for software copyright registration and has designated the China Copyright Protection Center as the software registration agency. Applications that meet the requirements should be registered, and the China Copyright Protection Center will issue the corresponding registration certificate.

Domain

According to the Internet Domain Management Measures (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 (effective from November 1, 2017) and the Implementation Rules for National Top-Level Domain Registration (《國家頂級域名註冊實施細則》) promulgated by the China Internet Network Information Center on June 18, 2019 (effective from the same date), domain holders must register their domain. The MIIT supervises and manages internet domain in China, while the communications administrations of provinces, autonomous regions, and municipalities directly under the central government supervise and manage domain services within their respective

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administrative regions. Domain registration services generally follow the “first-apply, first-register” principle. Applicants should provide accurate information to the domain registration service provider and enter into a registration agreement with them. After completing the registration process, the applicant becomes the domain holder.

Regulations related to Properties leasing

According to the Civil Code of the PRC (《中華人民共和國民法典》), with the lessor’s consent, the lessee may sublease the leased property to a third party. If the lessee subleases the property, the lease contract between the lessee and the lessor remains valid; if a third party causes damage to the leased property, the lessee shall compensate for the loss. If the ownership of the leased property changes during the period of possession by the lessee in accordance with the lease contract, the validity of the lease contract shall not be affected.

According to the Urban Real Estate Administration Law of the People’s Republic of China (《中華人民共和國城市房地產管理法》) promulgated by the Standing Committee of the National People’s Congress on July 5, 1994 and revised on August 26, 2019, and the Measures for the Administration of Commodity Housing Leasing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Ministry of Construction on December 1, 2010 and implemented on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days of signing a house lease contract, the parties to the house lease shall register the house lease with the construction (real estate) authority of the municipal, city, or county people’s government where the leased house is located. Those who violate the aforementioned provisions shall be ordered to rectify within a specified period by the construction (real estate) authorities of the municipal, city, or county people’s governments; individuals who fail to rectify within the specified period shall be subject to penalty fines up to RMB1,000; entities that fail to rectify within the specified period shall be subject to penalty fines between RMB1,000 and RMB10,000. The Civil Code of the PRC stipulates that the failure of the parties to register and file a lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the contract.

Regulations related 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 revised on August 27, 2009, and December 29, 2018, employers must establish and improve occupational safety and health systems, strictly implement national occupational safety and health regulations and standards, and provide occupational safety and health education to workers. Occupational safety and health facilities must meet statutory standards. Enterprises and units must provide workers with occupational safety and health conditions that comply with relevant labor protection laws and regulations.

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 revised on December 28, 2012, and the Regulations for the Implementation of the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法實施條例》), promulgated on September 18, 2008, stipulate specific provisions regarding the signing, terms, and termination of labor contracts, as well as the relevant rights and obligations of employees and employers. When recruiting employees, employers must truthfully inform them of the job content, working conditions, work location, occupational hazards, safety production conditions, remuneration, and other information that the employee requests to know.

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Social Insurance and Housing Provident Funds

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010, implemented on July 1, 2011, and revised on December 29, 2018, and the Provisional Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which were issued by the State Council on January 22, 1999 and revised on March 24, 2019, employees should participate in basic pension insurance, basic medical insurance, and unemployment insurance. Basic pension insurance, basic medical insurance, and unemployment insurance are jointly paid by employers and employees. Employees should also participate in work injury insurance and maternity insurance. Work injury insurance and maternity insurance premiums are paid by the employer, not by the employee.

According to the Notice of the General Office of the State Council on Issuing the Pilot Program for the Merger 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》) issued on January 19, 2017, and the Opinions of the General Office of the State Council on Comprehensively Promoting the Merger 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》) issued on March 6, 2019, the merger of maternity insurance and basic medical insurance for employees shall be promoted to achieve simultaneous insurance registration, consolidated operation of funds, unified collection and payment management, unified supervision and management, and integrated handling and services.

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), employers must register for social insurance with the local social insurance agency, provide social insurance for their employees, and withhold and pay relevant social insurance on their behalf. If an employer fails to register for social insurance, the social insurance administrative department shall order it to rectify the situation within a specified period; if it fails to rectify the situation within the specified period, the employer shall be subject to penalty fines between one and three times the amount of social insurance payable. If an employer fails to pay social insurance on time and in full, the social insurance collection agency shall order it to pay or make up the shortfall within a specified period, and impose a late payment fee of 0.05% per day from the date of default; if the employer still fails to pay after the deadline, the competent administrative department shall impose penalty fines of one to three times the amount owed.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and revised on March 24, 2002 and March 24, 2019, employers shall make timely and full contributions to housing fund and shall not make overdue or under-contributions. Employers should register for housing fund contributions with the housing fund management center. If an employer violates the aforementioned laws and regulations by failing to register for housing fund contributions or failing to establish housing fund accounts for its employees, the housing fund management center shall order it to do so within a specified period; if it fails to do so within the specified period, it shall be subject to penalty fines between RMB10,000 and RMB50,000. If an employer violates these regulations by failing to pay or underpaying housing fund, the housing fund management center shall order it to make the payments within a specified period; if the employer still fails to make the payments after the specified period, the center may apply to the people's court for enforcement.

According to the Interpretation (II) of the Supreme People's Court on Several Issues concerning applicable laws 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)》) promulgated on July 31, 2025 and effective from September 1, 2025, if an employer and an employee agree or the employee promises to the employer not to pay social insurance, the People's Court shall deem the agreement or promise null and void. Furthermore, if an employee terminates their employment contract under the Labor Contract Law of the PRC on the grounds that the employer has failed to pay social insurance in accordance with the law, and requests the employer to pay economic compensation, the People's Court shall support such a request.

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Regulations related to PRC Taxes

Income Tax Act

According to the EIT Law of the PRC (《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 revised on December 29, 2018, and effective on the same day, and the Implementing Regulations of the Enterprise Income Tax Law of the PRC of the People’s Republic of China (《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 revised on December 6, 2024, and effective from January 20, 2025, enterprises are divided into “resident enterprises” and “non-resident enterprises”. Resident enterprises refer to enterprises that are legally established in China or that are established in accordance with the laws of a foreign country (region) but whose de facto management body is located in China. Non-resident enterprises refer to enterprises established in accordance with the laws of foreign countries (regions) whose de facto management body is not located in China, but which have established institutions or places of business in China, or which do not have established institutions or places of business in China, but have income derived from China. Resident enterprises are required to pay corporate income tax at a rate of 25% on their domestic and foreign income. Small and micro-profit enterprises that meet the requirements are subject to corporate income tax at a reduced rate of 20%. High-tech enterprises that require key support from the PRC Government are subject to a reduced corporate income tax rate of 15%.

According to the Announcement on Enterprise Income Tax Policy for integrated circuit Design and Software Industries (Announcement No. 68 of 2019) (《關於集成電路設計和軟件產業企業所得稅政策的公告》(公告2019年第68號)) issued by the Ministry of Finance and the State Administration of Taxation on May 17, 2019, and effective on the same day, legally established and qualified integrated circuit design and software enterprises are entitled to a preferential period calculated from the profit-making year before December 31, 2018. The enterprise income tax is exempted for the first and second years, and the enterprise income tax is levied at half the statutory tax rate of 25% for the third to fifth years, and this preferential treatment continues until the expiration of the period.

According to the Notice on Issues Concerning Preferential Policies for Enterprise Income Tax in the Software and Integrated Circuit Industries (Cai Shui [2016] No. 49) (《關於軟件和集成電路產業企業所得稅優惠政策有關問題的通知》(財稅[2016]49號)) issued by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission, and the Ministry of Industry and Information Technology on May 4, 2016, software and integrated circuit enterprises should calculate the periodic tax reduction and exemption preferential period from the year in which the enterprise makes a profit. If a company does not meet the preferential conditions in a profitable year, it shall enjoy the corresponding tax reduction and exemption benefits for the remaining years of its preferential period, starting from the year in which it first meets the conditions for software and integrated circuit enterprises.

Income tax related to dividend distribution

According to the Arrangement between the Mainland 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 and related regulations (《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》), promulgated by the State Administration of Taxation on August 21, 2006 and implemented from December 8, 2006, if a Hong Kong enterprise directly holds no less than 25% of the equity interests of a Chinese company, the dividends distributed shall be subject to withholding tax at a rate of 5%; otherwise, they shall be subject to withholding tax at a rate of 10%.

According to the Administrative Measures for Non-resident Taxpayers to Enjoy Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》) promulgated by the State Administration of Taxation on October 14, 2019 and implemented on January 1, 2020, non-resident taxpayers shall

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enjoy tax treaty benefits by means of “self-assessment, declaration of enjoyment, and retention of relevant data for future reference”. If a non-resident taxpayer determines that he or she meets the conditions for enjoying treaty benefits, he or she may enjoy the treaty benefits on his or her own when filing a tax return or through a withholding agent when filing a withholding return. At the same time, he or she shall collect and retain relevant data for future reference in accordance with regulations and accept subsequent management by the tax authorities.

Value-added Tax

According to the 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 effective on January 1, 2026, all entities and individuals that sell goods, services, intangible assets, or immovables, or import goods within China are taxpayers of VAT, and shall pay VAT in accordance with this Law. Unless otherwise specified, taxpayers engaged in services rendered and selling intangible assets shall pay tax at a rate of 6%.

According to the Notice on Fully Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax (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]36號)) issued by the Ministry of Finance and the State Administration of Taxation on March 23, 2016, effective on May 1, 2016, and revised on July 11, 2017, December 25, 2017, and March 20, 2019 respectively, with the approval of the State Council, the pilot program of replacing business tax with value-added tax was fully implemented nationwide from May 1, 2016. All business tax payers in the construction, real estate, financial, and lifestyle service industries were included in the pilot program and changed from paying business tax to paying value-added tax.

According to the Notice on Relevant Policies on Simplifying Value-added Tax Rates (Cai Shui [2017] No. 37) (《關於簡並增值稅稅率有關政策的通知》(財稅[2017]37號)) issued by the Ministry of Finance and the State Administration of Taxation on April 28, 2017 and implemented from July 1, 2017, the value-added tax rate structure was simplified from July 1, 2017, the 13% value-added tax rate was abolished, and the scope of goods subject to the 11% tax rate and the provisions for deducting input tax were clarified.

According to the Notice of the Ministry of Finance and the State Administration of Taxation State Administration on Adjusting Value-added Tax Rates” (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)) issued on April 4, 2018 and implemented on May 1, 2018, starting from May 1, 2018, for taxpayers who engage in value-added tax taxable sales or import goods, the original applicable tax rates of 17% and 11% are adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening value-added tax Reform (Announcement No. 39 of 2019 by the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs) (《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)), issued on March 20, 2019, and effective from April 1, 2019, and revised on September 1, 2025, for general value-added tax taxpayers engaging in value-added tax taxable sales or importing goods, the original 16% tax rate shall be adjusted to 13%, and the original 10% tax rate shall be adjusted to 9%.

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According to the Notice on value-added tax Policy for Software Products (Cai Shui [2011] No. 100) (《關於軟件產品增值稅政策的通知》(財稅[2011]100號)) issued by the Ministry of Finance and the State Administration of Taxation on October 13, 2011, after a 17% VAT is levied on the sale of software products developed and produced by general value-added tax taxpayers, the portion of their actual value-added tax burden exceeding 3% is subject to an immediate refund policy.

Regulations related to foreign exchange

The main regulations governing China’s foreign exchange are the Regulations of the People’s Republic of China on Foreign Exchange Management (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and revised on August 5, 2008. According to this regulation and other Chinese rules and regulations concerning currency exchange, RMB is freely convertible under current account items (such as foreign exchange transactions related to trade and services and dividend payments), but it is not freely convertible under capital account items (such as direct investment, loans or securities investment outside of China) without prior approval from the State Administration of Foreign Exchange (the “State Administration of Foreign Exchange”) or its local branches.

According to the Notice of the People’s Bank of China and the State Administration of 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》), promulgated on December 24, 2025 and effective on April 1, 2026, a domestic joint stock company that conducts an overseas listing upon completion of the CSRC filing shall, within 30 working days from the first trading day of the overseas listing, apply to a bank within the province or the city with independent planning status where it is registered (the “local bank”) for overseas listing registration, and the local bank will process such registration through the SAFE’s digital foreign exchange administration system. In principle, funds raised through an overseas listing shall be remitted back to the PRC in a timely manner. Where such funds are to be retained overseas for overseas direct investment, overseas securities investment, overseas lending or other businesses, the domestic company shall obtain the approval or filing documents from the competent authorities before the completion of the overseas offering and shall comply with the relevant cross-border funds administration provisions. The use of proceeds from an overseas listing shall be consistent with the relevant contents set out in the publicly disclosed documents, such as the document, shareholders’ circulars or resolutions of the board of directors or shareholders’ meetings. A domestic shareholder who reduces its holding of overseas listed shares shall apply to its local bank for reduction registration before the reduction or within 30 working days thereafter.

According to the Guidelines on Capital Account Foreign Exchange Business (2024 Edition) (《資本項目外匯業務指引(2024年版)》) issued by the State Administration of Foreign Exchange on April 3, 2024, funds raised by domestic companies through overseas listings should, in principle, be repatriated to China in a timely manner, either in RMB or foreign currency. The use of funds should be consistent with the relevant information listed in publicly disclosed documents such as the document, corporate bonds offering document, shareholder circular, Board of Directors or Shareholders’ Meeting resolutions. Domestic companies using funds raised from overseas listings to conduct overseas direct investment, overseas securities investment, overseas lending, and other businesses must comply with relevant Foreign Exchange Management regulations.

The State Administration of Foreign Exchange issued the Notice on Further Simplifying and Improving Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) on February 13, 2015, and revised it on December 30, 2019, allowing institutions and individuals to apply for foreign exchange registration with qualified banks. Qualified banks can directly review applications under the supervision of the State Administration of Foreign Exchange. On March 30, 2015, the State Administration of Foreign Exchange issued the Notice on Reforming the Management of Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, which was revised on December 30, 2019. The notice stipulates

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that foreign exchange capital of foreign-invested enterprises shall be subject to voluntary settlement. Foreign-invested enterprises may conduct voluntary settlement of foreign exchange capital according to their business needs.

The notice emphasizes that the funds should adhere to the principles of authenticity and self-use within the business scope; they may not be used for expenditures outside the business scopes, securities investments (unless otherwise stipulated), RMB entrusted loans, inter-enterprise lending, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The State Administration of Foreign Exchange issued the Notice on Further Improving and Adjusting Foreign Exchange Management Policies for Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》) (“State Administration of Foreign Exchange Document No. 59”) (國家外匯管理局59號文)) on November 19, 2012, which took effect on December 17, 2012, and was last revised on May 4, 2015. This document abolished the administrative approval for foreign exchange registration for direct domestic investment and direct overseas investment, and simplified the procedures for foreign exchange-related registration.

The State Administration of Foreign Exchange issued the Notice on Reforming and Standardizing the Management Policy for Capital Account Settlement (《關於改革和規範資本項目結匯管理政策的通知》) (“State Administration of Foreign Exchange Document No. 16”) (國家外匯管理局16號文)) on June 9, 2016, and revised it on December 4, 2023. According to State Administration of Foreign Exchange Document No. 16, companies registered in China may also convert foreign debt from foreign currency into RMB at their own discretion. State Administration of Foreign Exchange Document No. 16 reiterated that RMB transferred from a company’s foreign currency capital may not be used directly or indirectly for expenditures outside its business scope or prohibited by the PRC laws and regulations, nor may it be used to issue loans to non-affiliated companies.

On January 26, 2017, the State Administration of Foreign Exchange issued the Notice on Further Promoting Foreign Exchange Management Reform and Improving the Verification of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures regarding the remittance of profits from domestic entities to overseas entities, including: (i) banks should verify the Board of Directors’ resolutions on profit distribution, original tax filing forms, and audited financial statements related to profit remittances in accordance with the principle of genuine transactions; and (ii) domestic institutions should first make up for previous years’ losses in accordance with the law before remitting profits. Furthermore, according to the notice, domestic institutions should provide detailed explanations of the source and use of investment funds and provide Resolutions of the Board of Directors, contracts, and other supporting documents when completing the registration procedures for relevant overseas investments.

On October 23, 2019, the State Administration of Foreign Exchange issued the Notice on Further Facilitating Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which was revised on December 4, 2023. The notice stipulates that all foreign-invested enterprises may use RMB converted from foreign currency capital to make equity investments in China, provided that the equity investments are genuine, do not result in a violation of applicable laws, and comply with the Negative List for foreign investment.

According to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management to Support the Development of Foreign-related Businesses (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the State Administration of Foreign Exchange on April 10, 2020 and effective on June 1, 2020, the reform of facilitating the payments of capital account income is being promoted nationwide. Provided that the use of funds is genuine and compliant with current regulations on the use of capital account income, eligible enterprises are allowed to use capital account income such as capital, foreign debt and overseas listing income for domestic payments without having to provide proof of authenticity to banks for each transaction in advance.