This section sets forth a summary of the most significant laws and regulations that affect our business activities in China.

REGULATIONS RELATED TO FOREIGN INVESTMENT IN THE PRC

Foreign Investment Industrial Policy

Investments activities in China by foreign investors are principally governed by the Catalog for the Encouragement of Foreign Investment Industries (2020 Edition) (《鼓勵外商投資產業目錄（2020年版）》) (the "**Catalog**") and the Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Version) (《外商投資准入特別管理措施(負面清單)(2020年版)》) (the "**Negative List**"), which were both promulgated by the MOFCOM and the NDRC and each became effective on January 27, 2021, and July 23, 2020. The Catalog and the Negative List set forth the industries in which foreign investments are encouraged, restricted and prohibited. Industries that are not listed in the Catalog and the Negative List are generally open to foreign investment unless otherwise specifically restricted by other PRC rules and regulations.

According to the Negative List, the foreign equity interests ownership of entities that engage in value-added telecommunications business (except for e-commerce, domestic multi-party communication, storage and forwarding and call center) must not exceed 50%, and foreign investors are allowed to hold up to 100% of equity interests in an online data processing and transaction processing business (e-commerce business operation) in China.

Foreign Investment Law and its Implementation Measures

On March 15, 2019, the National People's Congress enacted the Foreign Investment Law (《中華人民共和國外商投資法》) (the "**FIL**"), which came into effect on January 1, 2020. The FIL has replaced the previous major laws and regulations governing foreign investment in the PRC, including the Sino-foreign Equity Joint Ventures Enterprises Law of China (《中華人民共和國中外合資經營企業法》), the Sino-foreign Co-operative Enterprises Law of China (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of China (《中華人民共和國外資企業法》). According to the FIL, "foreign-invested enterprises" refers to enterprises that are wholly or partly invested by foreign investors and registered under the PRC laws within China, and "foreign investment" refers to any foreign investor's direct or indirect investment activities in China, including: (i) establishing foreign-invested enterprises in China either individually or jointly with other investors; (ii) obtaining stock shares, equity shares, shares in properties or other similar interests of Chinese domestic enterprises; (iii) investing in new projects in China either individually or jointly with other investors; and (iv) investing through other methods provided by laws, administrative regulations or provisions prescribed by the State Council.

On December 26, 2019, the State Council issued Implementation Regulations for the Foreign Investment Law of China (《中華人民共和國外商投資法實施條例》) (the "**FIL Implementation Rules**") which came into effect on January 1, 2020. According to the FIL Implementation Rules, in the event of any discrepancy between the FIL, the FIL Implementation Rules and the relevant provisions on foreign investment promulgated prior to January 1, 2020, the FIL and the FIL Implementation Rules shall prevail. The FIL Implementation Rules also set forth that foreign investors that invest in sectors on the Negative List in which foreign investment is restricted shall comply with special management measures with respect to, among others, shareholding and senior management personnel qualification in the Negative List. Pursuant to the FIL and the FIL Implementation Rules, the existing foreign-invested enterprises established prior to the effective date of the FIL are allowed to keep their corporate organization forms for five years from the effectiveness of the FIL before such existing foreign-invested enterprises change their organization forms and organization structures in accordance with the

PRC Company Law (《中華人民共和國公司法》), the Partnership Enterprise Law of China (《中華人民共和國合夥企業法》) and other applicable laws.

On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020, and has replaced the Interim Measures for the Administration of Record-filling on the Establishment and Changes in Foreign-Invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Foreign investors or foreign-invested enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System (企業登記系統) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

REGULATIONS RELATED TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

In 2000, the State Council promulgated the Telecommunications Regulations of China (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), most recently amended in February 2016, which provide the regulatory framework for telecommunications service providers in China and require a telecommunications service provider to obtain an operating license prior to commencing its operations. The Telecommunications Regulations categorize all telecommunications services as either basic telecommunications services (基礎電信業務) or value-added telecommunications services (增值電信業務). Providers of value-added telecommunications services are required to obtain a license for value-added telecommunications services. Pursuant to the Catalog of Telecommunications Services (《電信業務分類目錄》), an attachment to the Telecommunications Regulations, which was most recently amended on June 6, 2019, information services provided via public telecommunication network or the internet and the online data processing and transaction processing services provided via public telecommunication network or the Internet by utilizing various kinds of data and transaction processing application platforms that are connected to public telecommunication network or the Internet fall within value-added telecommunications services. Furthermore, commercial e-commerce business is classified as online data processing and transaction processing services.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, and amended on January 8, 2011, set out guidelines on the provision of internet information services. According to the Administrative Measures on Internet Information Services, the internet information services is classified into commercial internet information services and non-commercial internet information services; an operator of commercial internet information services must obtain a value-added telecommunications operating license (增值電信業務經營許可證) for the provision of internet information services from the appropriate telecommunications authorities. The Administrative Measures for Telecommunications Operating Licenses (《電信業務經營許可管理辦法》), which was promulgated by the MIIT on July 3, 2017, and became effective on September 1, 2017, further regulates the telecommunications operating licenses.

REGULATIONS RELATED TO TRAVEL AGENCY

On April 25, 2013, the Standing Committee of the National People's Congress issued the PRC Tourism Law (《中華人民共和國旅遊法》), which took effect on October 1, 2013 and was amended in 2016 and 2018. The PRC Tourism Law aims to protect tourists and tour operators' legal rights, regulate travel market and promote the development of travel industry, and sets forth specific requirements for the operation of travel agencies. Travel agencies are prohibited from (i) leasing, lending or illegally transferring travel agency operation licenses or otherwise disseminating untrue or inaccurate information when soliciting customers and organizing tours, (ii) conducting any false publicity to mislead customers, (iii) arranging visits to or participation in any project or activity in violation of PRC laws and regulations or social morality, (iv) organizing tours at unreasonably low

price to induce or cheat tourists, or obtaining unlawful profits such as kickbacks, and (v) changing or ceasing scheduled itineraries without reasons and forcing the tourists to participate in other activities against the will of tourists. In addition, travel agencies must enter into contracts with customers for travel services; and before a tour starts, a customer may assign his personal rights and obligations in a packaged-tour contract to any third person, whom the travel agency cannot refuse without cause, as long as any fee increase will be borne by the customer and the relevant third person. Accordingly, travel agencies may be subject to civil liabilities for failing to fulfill the obligations discussed above, which include rectification, confiscation of any illegal income, imposition of a fine, an order to cease business operation, or revocation of its travel agency permit.

The travel industry is subject to the supervision of the PRC Ministry of Culture and Tourism and local tourism administrations. The principal regulations governing travel agencies in China include the Travel Agency Regulations (《旅行社條例》), issued by the State Council in February 2009, which became effective on May 1, 2009 and most recently amended on November 29, 2020, and the Implementing Rules of Travel Agency Regulations (《旅行社條例實施細則》) promulgated by the PRC National Tourism Administration in April 2009, which became effective as of May 3, 2009 and most recently amended on December 12, 2016. Under these regulations, a travel agency must obtain a license from the national tourism administration or the provincial-level tourism administration it authorizes to conduct outbound travel business, and a license from the provincial-level tourism administration or the municipal tourism administration it authorizes to conduct domestic and inbound travel agency business.

The Travel Agency Regulations permit foreign investors to establish foreign invested travel agencies. Foreign-owned travel agencies are allowed to open branches nationwide, but are restricted from engaging in outbound tourism business in China, unless otherwise determined by the State Council, or provided under a bilateral free trade agreement between the country and China, or the closer economic partnership agreements between China, Hong Kong and Macau. In December 2009, the State Council promulgated the Opinion on Accelerating Development of Travel Industry (關於加快發展旅遊業的意見)，which gradually allows foreign invested travel agencies to operate business of arranging PRC residents traveling to overseas destinations on a trial basis. On August 29, 2010, the PRC National Tourism Administration and MOFCOM further promulgated the Interim Measures for Supervising Pilot Operation of Overseas Travel Business by Sino-Foreign Joint Venture Travel Agencies (《中外合資經營旅行社試點經營出境旅遊業務監管暫行辦法》), according to which the PRC National Tourism Administration may choose and approve certain qualified Sino-foreign joint venture travel agencies to operate business of arranging PRC residents traveling to overseas destinations, Hong Kong and Macau (excluding Taiwan), on a trial basis. Based on the Plan to Strengthen the Reform and Open-up Policy in China (Shanghai) Pilot Free Trade Zone (全面深化中國（上海）自由貿易試驗區改革開放方案) promulgated by the State Council in March 2017, China (Shanghai) Pilot Free Trade Zone (中國（上海）自由貿易試驗區) has implemented a pilot project that allows the wholly foreign-owned travel agencies registered in China (Shanghai) Pilot Free Trade Zone that satisfied with required conditions to operate outbound tourism business. In January 2019, the PRC State Council promulgated the Approval to the Work Plan on Fully Promoting the Comprehensive Pilot Program for Expanding the Opening-Up of the Service Industry of Beijing Municipality (國務院關於全面推進北京市服務業擴大開放綜合試點工作方案的批復), which allows wholly foreign-owned travel agencies to provide outbound travel services (except for Taiwan) for PRC citizens on a trial basis.

On August 20, 2020, the Ministry of Culture and Tourism promulgated a Tentative Administrative Measure on Online Travel Operation（《在線旅遊經營服務管理暫行規定》）, which intends to standardize the online travel operation business. The online travel operation services means provision of travel services to the travelers via the information network such as Internet and such services include package tour, transportation, accommodation, dining, sightseeing, entertainment and

so on. The operator of online travel business shall provide real and accurate travel services information without false promotion and advertisement. The operator of online travel platform shall verify the identification, license, quality standard and credit rating of all travel business operator registered on the platform. The online travel business operator shall protect the personal data privacy of travelers and shall not set unfair trading conditions based on consumption record and preference by abusing data analyzing technology. The platform operator shall examine the license and qualification of travel business operator inside the platform and alert the travelers for safety warning, and shall take the liability if it fails to perform relevant obligations requested by such administrative measures.

REGULATIONS RELATED TO AIR-TICKETING

The air-ticketing business is subject to the supervision of the China Air Transportation Association and its branches. In April 2015, the China Air Transport Association issued the Air Transportation Sales Agent Qualification Accreditation Measures (《航空運輸銷售代理資質認可辦法》) pursuant to which an air-ticketing agency must obtain a permit from air transportation sales agency branch, an affiliate of the China Air Transport Association in which the agency proposes to conduct the air-ticketing business. There are two types of air-ticketing permits in China, permits for selling tickets for international flights and flights to Hong Kong, Macau and Taiwan, and permits for selling tickets for domestic flights in China.

In February 2019, the Air Transportation Sales Agent Qualification Accreditation Measures were abolished and air transportation sales agencies can operate air-ticketing business without permits as was previously required. Alternatively, the Self-Discipline Measures for Air Transportation Sales Agency Industry (《航空客貨運輸銷售代理行業自律辦法》) was promulgated by the China Air Transport Association, which encourages self-discipline administration for air transportation sale agency industry. The China Air Transport Association has further promulgated the Business Standards of Air Passenger Transportation Sales Agencies (《航空運輸客運銷售代理人業務規範》) and the Business Standards of Air Freight Transportation Sales Agencies (《航空運輸貨運銷售代理人業務規範》), which introduce general business standards applied by airlines for selecting and authorizing their air-ticketing sales agents. For example, basic requirements for passenger air transportation sales agencies are, including but not limited to, (i) having proper business license, (ii) having telecommunication and information services business license if conducting online air-ticketing sales, (iii) having suitable capital contributed for business operation, (iv) having capital guarantee or pledge in favor of airlines, (v) agencies and their principals not having poor credit records, and (vi) having sufficient, properly trained employees.

In August 2017, the Civil Aviation Administration of China issued the Notice on Regulating Online Air-ticketing (《關於規範互聯網機票銷售行為的通知》), pursuant to which online air-ticketing platform shall not conduct bundle sales of any other services and products by default along with selling air tickets. The online air-ticketing platform shall display ancillary air-ticket-related services and products (e.g. VIP lounge coupon and insurance) in an explicit and accurate manner and shall offer such services and products to customers as an option in addition to their air ticket purchases.

REGULATIONS RELATED TO E-COMMERCE

The SAIC adopted the Interim Measures for the Administration of Online Commodities Trading and Relevant Services (《網絡商品交易及有關服務行為管理暫行辦法》) on May 31, 2010, and replaced by the Administrative Measures for Online Trading (《網絡交易管理辦法》) on January 26, 2014, which became effective on March 15, 2014. These measures impose more stringent requirements and obligations on online trading or service operators as well as third-party trading platforms. For example, marketplace platform providers are obligated to examine the legal status of each third-party merchant selling products or services on their platforms and display on a prominent location on a

merchant's web page the information stated in the merchant's business license or a link to its business license. On December 24, 2014, the MOFCOM promulgated the Provisions on the Procedures for Formulating Transaction Rules of Third-Party Online Retail Platforms (Trial) (《網絡零售第三方平台交易規則制定程序規定(試行)》) to regulate the formulation, revision and enforcement of transaction rules for online retail marketplace platforms.

On August 31, 2018, the Standing Committee of the National People's Congress promulgated the E-Commerce Law (《電子商務法》), which came into effect on January 1, 2019. The E-commerce Law imposes a series of requirements on e-commerce operators including e-commerce platform operators, merchants operating on the platform and the individuals and entities carrying out business online. According to the E-commerce Law, e-commerce operators who provide search results based on consumers' characteristics, such as hobbies and consumption habits, shall also provide consumers with options that are not targeted at their personal characteristics at the same time, respect and fairly protect the legitimate interests of the consumers. In addition, e-commerce platform operators are not allowed to impose unreasonable restrictions over or add unjustified conditions to transactions concluded on their platforms by merchants, or charge merchants operating on its platform any unreasonable fees.

REGULATIONS RELATED TO CONSUMER PROTECTION

The Consumer Protection Law (《消費者權益保護法》), which was promulgated by the Standing Committee of the National People's Congress on October 31, 1993, and last amended on October 25, 2013, effective as of March 15, 2014, sets out the obligations of business operators and the rights and interests of consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide, if these goods and services are consumed under normal standards. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers' purchase of goods or acceptance of services on online platforms if the platform operators fail to provide consumers with authentic contact information of the sellers or service providers.

REGULATIONS RELATED TO INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Internet content in China is also regulated and restricted from a state security point of view. The Decision Regarding the Safeguarding of Internet Security (《關於維護互聯網安全的決定》), enacted by the Standing Committee of the National People's Congress on December 28, 2000, and amended with immediate effect on August 27, 2009, makes it unlawful to, including but not limited to: (i) gain improper entry into a computer information system of national affairs, national defense or cutting-edge science and technology; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. The Administrative Measures for the Security Protection of International Connections to Computer Information Network (《計算機信息網絡國際聯網安全保護管理辦法》), issued by the PRC Ministry of Public Security (the "**MPS**") on December 30, 1997, and amended on January 8, 2011, prohibits the use of the internet in ways that, among other things, result in a leakage of state secrets or the distribution of socially destabilizing content.

On July 1, 2015, the Standing Committee of the National People's Congress issued the National Security Law (《國家安全法》), which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, national security and cyber security and development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies,

internet and information technology products and services and other important activities that are likely to impact the national security of China.

On June 28, 2016, the Cyberspace Administration of China promulgated the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》), which became effective on August 1, 2016, providing that mobile Internet application providers are prohibited from engaging in any activity that may endanger national security, disturb social order or infringe the legal rights of third parties, and may not produce, copy, release or disseminate through mobile internet applications any content prohibited by laws and regulations.

On November 7, 2016, the Standing Committee of the National People's Congress issued the Cyber Security Law (《網絡安全法》), which came into effect on June 1, 2017. The Cyber Security Law provides that network operators must set up a classified protection system for cyber security, including appointing dedicated cyber security personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cyber security incidents, and taking data security measures such as data classification, backups and encryption. The Cyber Security Law imposes a relatively vague but broad obligation to provide technical support and assistance to the public and state security authorities in connection with criminal investigations or for reasons of national security. The Cyber Security Law also requires network operators that provide network access or domain name registration services, landline or mobile phone network access, or that provide users with information publication or instant messaging services, to require users to provide a real identity when they sign up.

PRC government authorities have enacted legislations on internet use to protect personal information from any unauthorized disclosure and prohibits an internet content provision operator from insulting or slandering a third party or infringing the lawful rights and interests of a third party. The Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), promulgated by the MIIT on December 29, 2011, and became effective on March 15, 2012, stipulate that internet information provider may not, without user's consent, collect user's personal information, which is defined as user information that can be used alone or in combination with other information to identify the user, and may not provide any such information to third parties without user's prior consent, unless when required by laws or regulations. In addition, an internet information service providers shall expressly inform the users of the methods, content and usage of the collection and process of their personal information and shall not collect any information not necessary for or beyond the purpose of the services they provide. Internet information provider are also required to ensure the proper security of user's personal information, and take immediate remedial measures if user's personal information has been or may be divulged.

On July 16, 2013, the MIIT issued the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》). Most requirements under the order that are relevant to internet content provision operators are consistent with pre-existing requirements but the requirements under the order are often more stringent and have a wider scope. If an internet content provision operator wishes to collect or use personal information, it may do so only if such collection is necessary for the services it provides. Internet content provision operators are further prohibited from divulging, distorting or destroying any such personal information, or selling or providing such information unlawfully to other parties.

On January 23, 2019, the Cyberspace Administration of China, the MIIT and the MPS, and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》), which restates the requirement of legal collection and use of personal information, encourages app operators to conduct

security certifications and encourages search engines and app stores to clearly mark and recommend those certified apps. On November 28, 2019, the Cyberspace Administration, MIIT, the MPS and SAMR jointly issued the Measures to Identify Illegal Collection and Usage of Personal Information by Apps (《App違法違規收集使用個人信息行為認定方法》), which lists six types of illegal collection and usage of personal information, including "failure to publish rules on the collection and usage of personal information," "failure to expressly state the purpose, manner and scope of the collection and usage of personal information," "collecting and using personal information without obtaining consents from users," "collecting personal information irrelevant to the services provided," "providing personal information to other parties without obtaining consent" and "failure to provide the function of deleting or correcting personal information as required by law or failure to publish the methods for complaints and reports or other information."

On August 29, 2015, the Standing Committee of the National People's Congress issued the Ninth Amendment to the Criminal Law (《刑法修正案(九)》), effective on November 1, 2015. Any internet service provider that fails to comply with obligations related to internet information security administration as required by applicable laws and refuses to rectify upon order shall be subject to criminal penalty for (i) any large-scale dissemination of illegal information; (ii) any severe consequences due to the leakage of the user information; (iii) any serious loss of criminal evidence; or (iv) other severe circumstances. Furthermore, any individual or entity that (i) sells or provides personal information in a manner which violates relevant regulations, or (ii) steals or otherwise illegally obtains any personal information is subject to criminal penalty in severe circumstances.

REGULATIONS RELATED TO ADVERTISING BUSINESS

The Advertisement Law of China (《中華人民共和國廣告法》), which was promulgated by the Standing Committee of the National People's Congress on October 27, 1994, and last amended on October 26, 2018, requires advertisers to ensure that the content of the advertisements are true. The content of advertisements shall not contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the State or divulges the secrets of the State, (ii) information that contains wordings such as "national level," "highest level" and "best" and (iii) information that contains ethnic, racial, religious or sexual discrimination. Advertisements posted or published through the internet shall not affect normal usage of network by users. Advertisements published in the form of pop-up window on the internet shall display the close button clearly to make sure that the viewers can close the advertisement by one click.

The Internet Advertisement Interim Measures (《互聯網廣告管理暫行辦法》), which were promulgated by the SAIC on July 4, 2016, and became effective on September 1, 2016, regulate any advertisement published on the Internet, including but not limited to, those on websites, webpage and apps, those in the forms of word, picture, audio, video and others. According to the Internet Advertisement Measures, Internet information service providers must stop any person from using their information services to publish illegal advertisements if they are aware of, or should reasonably be aware of, such illegal advertisements even if the Internet information service provider merely provides information services and has not involved in the internet advertisement businesses.

REGULATION RELATED TO INSURANCE BUSINESS

In June 2007, the China Insurance Regulatory Commission, which has been merged into the China Banking and Insurance Regulatory Commission, promulgated the Administrative Measures for Insurance Licenses (《保險許可證管理辦法》), which was amended in February 2020, pursuant to which all insurance agencies must obtain an insurance license from the China Banking and Insurance Regulatory Commission.

In November 2020, the China Banking and Insurance Regulatory Commission promulgated the Provisions on the Supervision and Administration of Insurance Agencies (《保險代理人監管規定》), which took effect on January 1, 2021 and replaced the Provisions for the Supervision and Administration of Professional Insurance Agencies (《保險專業代理機構監管規定》) issued in September 2009, pursuant to which an "insurance agency" refers to an agent that is instructed by and receives commissions from insurance companies to handle insurance services to the extent authorized by the insurance companies, including professional insurance agencies, sideline insurance agencies, and individual insurance agents. Professional insurance agencies and the sideline insurance agencies who are legal persons must obtain license relating to insurance agency operations from the China Banking and Insurance Regulatory Commission.

In December 2020, the China Banking and Insurance Regulatory Commission issued the Measures on the Supervision and Administration of Internet Insurance Business (《互聯網保險業務監管辦法》), which took effect on February 1, 2021 and replaced the Interim Measures on the Supervision and Administration of Internet Insurance Business (《互聯網保險業務監管暫行辦法》) issued in July 2015, pursuant to which internet insurance businesses shall be carried out by insurance institutions legally established, including insurance companies and insurance intermediaries, and the insurance institutions are required to run a self-operated online platform that satisfy certain conditions.

REGULATIONS RELATED TO INTELLECTUAL PROPERTY RIGHTS

Trademark

Trademarks are protected by the Trademark Law of China (《中華人民共和國商標法》) which was promulgated by the Standing Committee of the National People's Congress on August 23, 1982, last amended on April 23, 2019, and took effect on November 1, 2019, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》), adopted by the State Council on August 3, 2002, and revised on April 29, 2014. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Office of China National Intellectual Property Administration handles trademark registrations and grants a term of 10 years to registered trademarks commencing from the date of registration and the registered trademarks can be renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term.

Patent

According to the Patent Law of China (《中華人民共和國專利法》) (the "**Patent Law**"), promulgated by the Standing Committee of the National People's Congress on March 12, 1984, last amended on October 17, 2020 and will be effective on June 1, 2021, and the Implementing Rules of the Patent Law of China (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, last amended on January 9, 2010, and effective from February 1, 2010, there are three types of patents in the PRC: invention patents, utility model patents and design patents. Under the currently effective Patent Law, the protection period of a patent right for invention patents shall be 20 years and the protection period of a patent right for utility model patents and design patents shall be 10 years, both commencing from the filing date. According to the Patent Law, any entity or individual that seeks to exploit a patent owned by another party shall enter into a patent license contract with the patent owner concerned and pay patent royalties to the patent owner. Pursuant to the Measures for the Filling of Patent Licensing Contracts (《專利實施許可合同備案辦法》), promulgated by the State Intellectual Property Office on June 27, 2011, and effective as of August 1, 2011, the State Intellectual Property Office shall be responsible for filing of patent licensing contracts nationwide and the parties concerned shall complete filing formalities within three months from the effective date of a patent licensing contract.

Copyright

The Copyright Law of China (《中華人民共和國著作權法》) (the "**Copyright Law**"), which was promulgated by the Standing Committee of the National People's Congress on September 7, 1990, last amended on November 11, 2020, and will take effect on June 1, 2021. Under the currently effective Copyright Law, Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. The purpose of the Copyright Law aims to encourage the creation and dissemination of works which is beneficial for the construction of socialist spiritual civilization and material civilization and promote the development and prosperity of socialist cultural and scientific undertakings.

The Computer Software Copyright Registration Measures (《計算機軟體著作權登記辦法》) (the "**Software Copyright Measures**"), promulgated by the National Copyright Administration of China on February 20, 2002, regulate registrations of software copyright, exclusive licensing contracts and transfer contracts for software copyright. The National Copyright Administration shall be the competent authority for the nationwide administration of software copyright registration and the Copyright Protection Center of China (中國版權保護中心) is designated as the software registration authority. The Copyright Protection Center of China shall grant registration certificates to the Computer Software Copyrights applicants if the applications conform to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (《計算機軟體保護條例》).

Domain Names

The Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017, and became effective on November 1, 2017, regulates the ".CN" and the "zhongguo (in Chinese character)" shall be China's national top level domains. Any party that engages in internet information services shall use its domain name in compliance with laws and regulations and in line with relevant provisions of the telecommunications authority, and shall not use its domain name to commit any illegal act.

REGULATIONS RELATED TO ANTI-UNFAIR COMPETITION

According to the Anti-Unfair Competition Law of China (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), which was adopted by the Standing Committee of the National People's Congress on September 2, 1993, became effective as of December 1, 1993, and last amended on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Pursuant to the Anti-unfair Competition Law, operators shall abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

REGULATIONS RELATED TO LABOR AND SOCIAL SECURITY

According to the Labor Law of China (《中華人民共和國勞動法》), which was promulgated by the Standing Committee of the National People's Congress on July 5, 1994, came into effect on January 1, 1995, and was last amended on December 29, 2018, the Labor Contract Law of China (《中華人民共和國勞動合同法》), which was promulgated by the Standing Committee of the National People's Congress on June 29, 2007, came into effect on January 1, 2008, and was amended on

December 28, 2012, and came into effect on July 1, 2013, and the Implementation Regulations on Labor Contract Law of China (《中華人民共和國勞動合同法實施條例》), which was promulgated and came into effect on September 18, 2008, by the State Council, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages cannot be lower than local minimum wage. The employers must establish a system for labor safety and sanitation, strictly abide by State rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with State rules and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of China (《中華人民共和國社會保險法》), which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010, came into effect on July 1, 2011, and was amended on December 29, 2018, the Provisional Regulations on the Collection and Payment of Social Insurance Premium (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999, and amended on March 24, 2019, and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, came into effective on the same date and was last amended on March 24, 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and housing funds. Any employer who fails to contribute may be fined and ordered to make up for the deficit within a stipulated time limit.

REGULATIONS RELATED TO TAXATION

EIT

According to the Enterprise Income Tax Law of China (the "**EIT Law**"), which was promulgated on March 16, 2007, came into effect on January 1, 2008, and last amended on December 29, 2018, and the Implementation Regulations on the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007, came into effect on January 1, 2008, amended by the State Council on April 23, 2019, and came into effect on the same date, a uniform income tax rate of 25% will be applied to resident enterprises and non-resident enterprises that have "establishment or place" situated in China. Besides enterprises established within the PRC, enterprises established in accordance with the laws of other judicial districts whose "de facto management bodies" are within the PRC are considered "resident enterprises" and subject to the uniform 25% enterprise income tax rate for their global income. A non-resident enterprise refers to an entity established under foreign law whose "de facto management bodies" are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC. An income tax rate of 10% will normally be applicable to dividends declared to or any other gains realized on the transfer of shares by non-PRC resident enterprise investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not substantially connected with the establishment or place of business, to the extent such dividends or other gains are derived from sources within the PRC.

According to the Arrangement for the Avoidance of Double Taxation and Tax Evasion between Mainland of China and Hong Kong (《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》) entered into between Mainland China and Hong Kong on August 21, 2006, if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which directly owns 25% or more of the equity interest of the PRC foreign-invested enterprise which pays the dividends and interests, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends and 7% for

interest payments if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such the Arrangement for the Avoidance of Double Taxation and Tax Evasion between Mainland of China and other applicable laws. However, according to the Notice on the Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《國家税務總局關於執行税收協議股息條款有關問題的通知》), which was promulgated by the STA on February 20, 2009, and came into effect on the same date, if the relevant PRC tax authorities determine, in their discretion, that a company benefits unjustifiably from such reduced income tax rate due to a transaction or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement of the Certain Issues with Respect to the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》), issued by the STA on February 3, 2018, and effective on April 1, 2018, if an applicant's business activities do not constitute substantive business activities, it could result in the negative determination of the applicant's status as a "beneficial owner," and consequently, the applicant could be precluded from enjoying the above-mentioned reduced income tax rate of 5% under the Arrangement for the Avoidance of Double Taxation and Tax Evasion between Mainland of China and Hong Kong.

VAT

The Provisional Regulations on Value-added Tax (《增值税暫行條例》), which was promulgated on December 13, 1993, came into effect on January 1, 1994, last amended on November 19, 2017, and the Detailed Implementing Rules of the Provisional Regulations on Value-added Tax (《增值税暫行條例實施細則》), which was promulgated on December 18, 2008, and amended on October 28, 2011, came into effect on November 1, 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement labor services, sales of services, intangible assets and real property and importing goods in China shall pay a value-added tax.

The State Council approved, and the STA and the Ministry of Finance officially launched a pilot value-added tax reform program starting from January 1, 2012 (the "**VAT Pilot Program**"), applicable to businesses in selected industries. Businesses in the VAT Pilot Program would pay value-added tax instead of business tax. The VAT Pilot Program was initiated in Shanghai, then further applied to 10 additional regions such as Beijing and Guangdong province. On November 19, 2017, the State Council promulgated the Decisions on Abolishing the Provisional Regulations of China on Business Tax and Amending the Provisional Regulations of China on Value-added Tax (《關於廢止<中華人民共和國營業税暫行條例>和修改<中華人民共和國增值税暫行條例>的決定》), according to which, all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement labor services, sales of services, intangible assets, real property and the importation of goods within the territory of China are the taxpayers of value-added tax. The value-added tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the value-added tax rate applicable to the small-scale taxpayers is 3%. According to the Notice of the Ministry of Finance and the STA on Adjusting Value added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), issued on April 4, 2018, and became effective on May 1, 2018, the value-add tax rates of 17% and 11% applicable to the taxpayers who have value-added tax taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Notice of the Ministry of Finance, the STA and the General Administration of Customs on Relevant Policies for Deepening Value Added Tax Reform (《關於深化增值税改革有關政策的公告》), issued on March 20, 2019, and became effective on April 1, 2019, such value added tax rate was reduced to 13% and 9%, respectively.

REGULATIONS RELATED TO FOREIGN EXCHANGE CONTROL

The principal regulations governing foreign currency exchange in China are the Regulation on the Foreign Exchange Control of PRC (《中華人民共和國外匯管理條例》), promulgated by the State

Council on January 29, 1996, came into effect on April 1, 1996, and last amended on August 5, 2008, and the Regulations on the Administration of Foreign Exchange Settlement, Sale and Payment (《結匯、售匯及付匯管理規定》), promulgated by the People's Bank of China in June 1996 and came into effect on July 1, 1996, according to which, Renminbi for current account items is freely convertible, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans and investments in securities outside of China, unless the prior approval or record-filing of SAFE or its local counterpart is obtained.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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》) (the "**SAFE Circular 13**") which was promulgated by SAFE on February 13, 2015, came effective on June 1, 2015, and amended on December 30, 2019, banks are required to review and carry out foreign exchange registration under foreign direct investment. The SAFE and its branches shall implement indirect supervision over foreign exchange registration of foreign direct investment via the banks. The Circular on the Reforming of Administrative Methods Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Companies (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**"), promulgated on March 30, 2015, came into effective on June 1, 2015, and last amended on December 30, 2019, allows foreign-invested enterprises whose main business is investment to make equity investments by using RMB fund converted from foreign exchange capital. Under the SAFE Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprises. The proportion of willingness-based foreign exchange settlement of capital for foreign-invested enterprises is temporarily set at 100%. The SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments. However, SAFE Circular 19 and the Circular on Reforming and Regulating the Administrative Policy of the Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), promulgated on June 9, 2016, continues to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope, investing and financing directly or indirectly in securities and other investments except for bank's principal-secured products, providing loans to non-affiliated enterprises except as permitted by its business scope, or constructing or purchasing real estate not for self-use.

On October 23, 2019, the SAFE released the Circular on Further Promoting the Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), according to which besides foreign-invested enterprises engaged in investment business, non-investment foreign-invested enterprises are also permitted to make domestic equity investments with their capital funds in foreign currency provided that such investments do not violate the Negative List (2020) and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》), issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their income under capital accounts, such as capital funds, foreign debts and the proceeds from overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance; provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

According to the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies

(《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was promulgated by SAFE in February 2012, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year (except for foreign diplomatic personnel in China and representatives of international organizations in China) who participate in any stock incentive plan of an overseas publicly listed company shall, collectively entrust a domestic agency (may be the Chinese affiliate of the overseas publicly listed company which participates in stock incentive plan, or other domestic institutions qualified for asset trust business lawfully designated by such company) through the Chinese affiliate of the overseas publicly listed company to handle foreign exchange registration, and entrust an overseas institution to handle issues like exercise of options, purchase and sale of corresponding stocks or equity and transfer of corresponding funds. In addition, the domestic agency is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan.

The Circular of the SAFE on Foreign Exchange Administration of Overseas Investments and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated by the SAFE on July 4, 2014, and came into effective on the same date, which replaced the Circular of the SAFE on Foreign Exchange Administration for Financing and Round-Trip Investments by Domestic Residents via Overseas Special Purchase Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) promulgated by the SAFE on October 21, 2005 and came into effective on November 1, 2005, states that (i) a PRC resident, including a PRC resident natural person or a PRC legal person, shall register with the local branch of the SAFE before it contributes its assets or equity interest in domestic enterprises or offshore assets or interests into a special purpose vehicle for the purpose of investment and financing; and (ii) when the special purpose vehicle undergoes change of basic information, such as change in PRC resident natural person shareholder, name or operating period, or occurrence of a material event, such as change in share capital of a PRC resident natural person, performance of merger or split, the PRC resident shall register such change with the local branch of the SAFE in a timely manner.

REGULATIONS RELATED TO DIVIDEND DISTRIBUTIONS

The principal laws and regulations regulating the dividend distribution of dividends by foreign-invested enterprises in China include the Company Law of China last amended in 2018 and the FIL. Under the current regulatory regime in the PRC, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as statutory reserve funds (法定公積金) at least 10% of its after-tax profit, until the cumulative amount of such reserves funds reaches 50% of its registered capital, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS RELATED TO M&A AND OVERSEAS LISTINGS

The M&A Rules was jointly promulgated by six PRC governmental authorities including the MOFCOM, the STA, the SAFE, the SAIC, the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC on August 8, 2006, and amended on June 22, 2009. Foreign investors must comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe the increased capital of a domestic company, and thus changing of the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in China, purchase and operate the assets of a domestic company; or when the foreign investors purchase the assets of a domestic company by agreement, establish a foreign-

invested enterprise by injecting such assets, and operate the assets. According to Article 11 of the M&A Rules, where a domestic enterprise, or a domestic natural person, through an overseas company established or controlled by it/him/her, acquires a domestic enterprise which is related to or connected with it/him/her, approval from the MOFCOM is required. The M&A Rules, among other things, further purport to require that an offshore special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.