LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was enacted by the Standing Committee of the National People's Congress (the "**SCNPC**") on 29 December 1993 and was last amended on 26 October 2018, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in PRC. Nevertheless, where there are other special laws relating to foreign investment, such laws shall prevail.

Wholly Foreign-owned Enterprises Law of the PRC (2016 Amendment, repealed) (《中華人民共和國外資企業法》(2016修訂)) and the Detailed Rules for the Implementation of Wholly Foreign-owned Enterprises Law of the PRC (2014 Amendment, repealed) (《中華人民共和國外資企業法實施細則》(2014修訂)) specified rules and regulations on the establishment, operation and management of whole-foreign-funded enterprises in China. Foreign-funded enterprises whose formation and modification were not subject to special administrative measures for market access shall undergo the filing formalities prescribed by the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-funded Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) (the "**Interim Measures for the Recordation Administration**", repealed).

Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was issued on 15 March 2019, and came into force from 1 January 2020, which replaced the Law of the People's Republic of China on Chinese-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》). On 26 December 2019, the State Council issued the Regulations for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Rules**"), which came into effect on 1 January 2020, which replaced the Regulations on Implementing the Sino-foreign Equity Joint Venture Enterprises Law (《中華人民共和國中外合資經營企業法實施條例》), Provisional Regulations on the Duration of Sino-foreign Equity Joint Venture Enterprises Law (《中外合資經營企業合營期限暫行規定》), the Detailed Rules for Implementing the Sino-foreign Cooperative Joint Venture Enterprise Law (《中華人民共和國中外合作經營企業法實施細則》) and the Detailed Rules for the Implementation of Wholly Foreign-owned Enterprises Law of the PRC (《中華人民共和國外資企業法實施細則》) and further refined the provisions of the Foreign Investment Law to ensure the effective implementation of the Foreign Investment Law. According to the Implementation Rules, in the event of any discrepancy between the Foreign Investment Law, the Implementation Rules and the relevant provisions on foreign investment promulgated prior to 1 January 2020, the Foreign Investment Law and the Implementation Rules shall prevail.

The Foreign Investment Law regulates the investment activities of foreign natural persons, enterprises or other organisations directly or indirectly within China. Investment activities include setting up foreign-invested enterprises, acquiring shares, equities, property shares or other similar rights and interests of enterprises in China, investing in new projects in China and other investment prescribed by laws, administrative regulations or specified by the State Council. According to the Foreign Investment Law,

the PRC government offers the management systems of pre-establishment national treatment and negative list for foreign investment according to which the treatment given to foreign investors and their investments during the investment access stage shall be no less favourable to that given to their domestic counterparts, and the State shall give national treatment to foreign investment outside of the negative list (as defined below) where special administrative measures for the access of foreign investment in specific fields is specified. The state will take measures to prompt foreign investment such as ensuring fair competition for foreign-invested enterprises to participate in government procurement activities, and protection of intellectual property rights of foreign investment. Besides, the State shall protect foreign investors' investment, earnings and other legitimate rights and interests, such as free remittance of capital contribution, profits, capital gains, assets disposal income, intellectual property licence fees, legally-obtained damages or compensation, liquidation proceeds, etc. It is also provided that forms of organisation, organisation structures and activities of foreign-invested enterprises shall be governed by the provisions of the Company Law (《中華人民共和國公司法》) and the Partnership Enterprise Law (《中華人民共和國合夥企業法》). Foreign-invested enterprises established before the effectiveness of the Foreign Investment Law may keep their original forms of business organisations for five years after 1 January 2020.

On 30 December 2019, the Ministry of Commerce (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") jointly issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on 1 January 2020 and replaced the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Funded Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Pursuant to the Measures for Information Reporting on Foreign Investment, foreign investors or foreign-invested enterprises shall submit their investment information to the competent commerce authorities through the enterprise registration system and the National Enterprise Credit Information Publicity System(國家企業信用資訊公示系統).

According to Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》), which was promulgated by the State Council on 11 February 2002, and came into effect on 1 April 2002, foreign investment projects shall be classified into four categories: encouraged, permitted, restricted and prohibited. Encouraged, restricted and prohibited foreign investment projects shall be listed in the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) and Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) (the "**Negative List**"), while foreign investment projects that do not fall within the encouraged, restricted and prohibited categories shall be classified as belonging to permitted foreign investment projects.

The "Negative List" was promulgated by the National Development and Reform Commission (the "**NDRC**") and the MOFCOM on 27 December 2021, and became effective on 1 January 2022, and set out the "prohibited" and "restricted" industries for foreign investment. Investing in an industry that falls within the restricted category of the Negative List requires the permit granted by competent authorities. According to the Negative List, industries such as Value-Added Telecommunication Services (excluding

e-commerce, domestic multi-party communications services, store-and-forward services, and contact centre services) fall into restricted category, where the shareholding percentage of the foreign investors in the joint venture enterprises shall not exceed 50%.

Article 6 of the Interpretation Note of the 2021 Negative List ("**Article 6**") provides that "where a domestic enterprise engaged in the business in the prohibited areas of the Negative List on Access to Foreign Investment seeks to issue and list its shares overseas ("**Overseas Issuance and Listing by a Domestic Enterprise under 2021 Negative List**"), it shall complete the examination process and obtain approval of the relevant competent authorities of the State, the foreign investor shall not participate in the operation and management of the enterprise, and its shareholding percentage shall be subject to the relevant provisions on the administration of domestic securities investment by foreign investors." Because the business of the Group is in the restricted areas of the 2021 Negative List instead of the prohibited areas, Article 6 would not apply to the Group's [**REDACTED**] and the Group is not required to obtain governmental approval regarding the [**REDACTED**].

On January 18, 2022, a press conference was held by the NDRC to further clarify the position of Article 6, during which the spokesman made it clear that Article 6 shall only be applying to the situations where domestic enterprises were seeking a direct overseas issuance and listing (i.e. H-shares listing).

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATION SERVICES

Licences for value-added telecommunication services

Telecommunications Regulation of the PRC (《中華人民共和國電信條例》) (the "**Telecommunication Regulation**"), promulgated by the State Council on 25 September 2000, and last amended on 6 February 2016, provides a regulatory framework for telecommunication services providers in the PRC and divided telecommunication services business into two categories: basic telecommunication business and value-added telecommunication business.

According to the Catalogue of Telecommunication Business (《電信業務分類目錄》), attached to the Telecommunication Regulation which was promulgated by the Ministry of Information Industry of the PRC (the "**MII**", which is the predecessor of the MIIT) on 21 February 2003 and last amended on 6 June 2019, information services refer to the information services provided for users through the public communication network or the internet by relying on the information collection, development, processing and information platform construction.

Measures for the Administration of Telecommunication Business Licensing (《電信業務經營許可管理辦法》), promulgated by the MIIT on 1 March 2009 and last amended on 3 July 2017, set forth more specific provisions regarding the types of licences required to operate value-added telecommunication services, the qualifications and procedures for obtaining such licences and the administration and supervision of such licences. Under these measures, a commercial provider of telecommunication business shall obtain a permit business issued by the telecommunication administrative authorities as per the law. Otherwise, such operator might be subject to sanctions including but not limited to corrective orders and fines.

According to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on 25 September 2000, and amended on 8 January 2011, internet information services can be classified into two categories, services of a commercial nature and services of a non-commercial nature. Commercial internet-based information services refer to compensatory services which provide information to or create web pages for online users through the internet. Non-commercial internet-based information services refer to non-compensatory services which supply, through the internet, to online users information which is open to and shared by the general public. Providing commercial internet information service shall be subject to Internet Content Provider Licences (the "**ICP Licences**"). Failing which, service providers may be subject to sanctions including corrective orders, fines or closing of websites from the competent administration authority. Besides, the said Administrative Measures and other relevant measures also ban internet activities that constitute publication of any content that, among others, propagates obscenity, pornography, gambling and violence, incites the commission of crimes or infringes upon the lawful rights and interests of third parties. Under certain circumstances, related authorities may order ICP Licence holders violating such content restrictions to correct those violations and revoke their ICP Licences under serious conditions.

MIIT issued the Interim Measures for the Supervision and Administration of Telecom Service Quality (《電信服務質量監督管理暫行辦法》) on 11 January 2001, as amended on 23 September 2014, which apply to the supervision and administration of the licenced telecommunication network operators within the territory of the PRC. According to which, MIIT supervises and administers the quality of the telecommunication service provided by telecommunication service providers pursuant to applicable laws and regulations. Where a telecommunication network operator violates the telecom service standards and injures the lawful rights and interests of the users, such telecommunication network operator may be subject to a rectification order, a warning or fines ranging from RMB500 to RMB10,000. Measures for Management of Telecommunication Network Code Number (《電信網碼號資源管理辦法》) was issued by MIIT on 29 January 2003 and amended on 23 September 2014, according to which, code resources shall be owned by the State, and any telecommunication network information service providers and call centre service providers who need to use telecommunication network code numbers shall be approved by MIIT or its provincial level counterparts to use telecommunication network code numbers to provide relevant services, and the time limit and scope of such approval shall be identical with that of the VAT Licence or other related approval documents obtained by such entity. The approved telecommunication network code numbers of users shall enter into a required agreement with the competent infrastructure telecommunication service operators, and file the required documents with the competent counterparts of MIIT. In addition, no telecommunication network code number user is permitted to assign or lease telecommunication network code number, nor to use beyond the scope or in more than one local network. Any entity using telecommunication network code numbers without approval or beyond the authorised scope or time limit or assigning or leasing telecommunication network code number without approval may be subject to correction, confiscation of the illegal income, fine ranging from three to five times the amount of the illegal income (where there is no illegal income, or the illegal income is less than RMB50,000, a fine ranging from RMB100,000 to RMB1 million).

On 8 June 2020, MIIT promulgated the Notice regarding Strengthening the Management of Call Centre Business (《關於加強呼叫中心業務管理的通知》) (the "**Call Centre Business Notice**"), which has further strengthened the management on the admittance, codes, accessing, operation activities and certain other items. According to the Call Centre Business Notice, for a call centre business operator, instant return visits, information consulting and other outbound call services shall only be provided with the consent of users. However, outbound call services without the consent of users shall not be provided for commercial marketing purposes.

Foreign investment in value-added telecommunications services

The Administrative Provisions on the Administration of Foreign-funded Telecommunications Enterprises (《外商投資電信企業管理規定》) was promulgated by the State Council on 11 December 2001 and last amended on 6 February 2016. It requires foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign equity joint ventures with the foreign investors owning no more than 50% of the equity interests of such enterprise. In addition, the main foreign investor who invests in a foreign-invested value-added telecommunication enterprises operating the value-added telecommunication business in China must demonstrate a good track record and sound experience in operating a value-added telecommunication business.

On 13 July 2006, Ministry of Information Industry released the Circular of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunication Services (《信息產業部關於加強外商投資經營增值電信業務管理的通知》) (the "**MIIT Notice**"). Pursuant to which, domestic telecommunications enterprises were prohibited to lease, transfer or sell for profits any licence for telecommunication business by any means or in any disguised form, or provide such conditions as resources, places and facilities for any foreign investor engaging in illegal telecommunication operation in any form within the territory of China.

On 1 August 2019, the MIIT issued the latest Guidance Memorandum on the Application Requirement for Establishing Foreign-invested Value-added Telecommunication Enterprises (《外商投資經營電信業務審批服務指南》) (the "**Guidance Memorandum**"). According to the Guidance Memorandum, if any foreign investor intends to invest in telecommunication business in China, it is required to provide satisfactory proof of compliance with the qualification requirements.

REGULATIONS RELATING TO INFORMATION SECURITY AND PERSONAL INFORMATION PROTECTION

Information security

According to Decision of the SCNPC on Preserving Computer Network Security (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) adopted on 28 December 2000, and amended on 27 August 2009, anyone commit crimes through internet, such as spreading computer viruses to attack the computer system and the communications network, making use of the internet to spread rumors, libels to split the country and undermine unification of the State, infringing on citizens' freedom and privacy of correspondence, shall be subject to criminal responsibility.

On 13 December 2005, the Ministry of Public Security issued the Provisions on the Technical Measures for the Protection of the Security of the Internet (《互聯網安全保護技術措施規定》), which took effect on 1 March 2006. These regulations require internet service providers to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users for at least 60 days.

On 22 June 2007, the Ministry of Public Security, State Secrecy Bureau, State Cryptography Administration and the Information Office of the State Council jointly promulgated the Administrative Measures for the Multi-level Protection of Information Security (《信息安全等級保護管理辦法》), under which the security protection grade of an information system may be classified into five grades. Companies operating and using information systems shall protect the information systems and any system equal to or above level II as determined in accordance with these measures, a record-filing with the competent authority is required.

On 7 November 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), which became effective on 1 June 2017, and stipulated that network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures to safeguard the safe and stable operation of the networks.

On 15 September 2018, the Ministry of Public Security issued the Provisions on Internet Security Supervision and Inspection by Public Security Organs (《公安機關互聯網安全監督檢查規定》) (the "**Inspection Regulations**") which took effect on 1 November 2018. Pursuant to the Inspection Regulations, public security authorities shall conduct supervision and inspection on the network operators that provide the following services: (1) internet connection, internet data centres, content distributions and domain name services, (2) internet information services, (3) public internet access services and (4) other internet services. The inspection may relate to whether the network operators have fulfiled the cyber security obligations under the Cyber Security Law and other applicable laws and regulations, such as to formulate and implement cybersecurity management systems and operational procedures, determine the person responsible for cybersecurity, and to take technical measures to record and retain user registration information and online log information etc.

Personal information protection

The Civil Code of the PRC (《中華人民共和國民法典》) that was issued on 28 May 2020, and took effect on 1 January 2021, provides that a natural person's personal information shall be protected by the law. Any organisation or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others.

Cyber Security Law (《中華人民共和國網路安全法》) which was issued on 7 November 2016 and took effect on 1 June 2017 also sets forth the principle of protecting personal information collected through internet, stipulating that network operators shall follow the principles of legality, rightfulness and necessity in collecting and using personal information, explicitly indicate the purposes, means and scope of collecting and using information, and obtain the consent of the persons whose information is collected. According to Decision of the SCNPC on Strengthening Information Protection on Networks (《全國人民代表大會常務委員會關於加強網絡信息保護的決定》) adopted on 28 December 2012, the state protects electronic information by which individual citizens can be identified and which involves the individual privacy of citizens. All organisations and individuals shall not obtain electronic personal information of citizens by theft or any other illegal means and shall not sell or illegally provide others with electronic personal information of citizens.

On 29 December 2011 the MIIT issued 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》), which was effective since 15 March 2012, and sets forth that an internet information service provider shall not collect any personal information on a user or provide any such information to third parties without the user's consent. It must expressly inform the user of the method, content and purpose of the collection and processing of such user's personal information and shall only collect information to the extent necessary to provide its services. An internet information service provider is also required to properly maintain users' personal information, and in case of any leak or likely leak of such information, it must take immediate remedial measures and, in the event of a serious leak, report to the telecommunication regulatory authority immediately.

On 16 July 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》), which took effect on 1 September 2013, to regulate the collection, use, disclosure and security of users' personal information like users' name, date of birth, identity card number, address, telephone number, account number, passwords and other information with which the identity of the user can be distinguished independently or in combination with other information, as collected by telecommunication service operators and internet information service providers in the process of providing services. Specifically, i) the users' personal information shall not be collected without prior consent; ii) the personal information shall not be used for any other purpose other than providing service; iii) the personal information shall be kept strictly confidential; and iv) a series of detail measures shall be taken to prevent any divulge, damage, tamper or loss of personal information of users.

On 8 May 2017, the Supreme People's Court and the Supreme People's Procuratorate released Interpretation on Several Issues Concerning the Application of Law in the Handling of Criminal Cases of Infringing on Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), took effect on 1 June 2017, which clarified several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》) (the "**Criminal Law**"), including "citizen's personal information", "providing citizen's personal information" and "illegally obtaining citizen's personal information by other methods."

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which took effect on 1 November 2021, which sets forth the detailed rules on handling personal information and the ways of processing personal information, the establishment of rules for processing personal information, the individual's rights and the processor's obligations in the processing of personal information and the relevant legal liabilities arising from the violation of the Personal Information Protection Law.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) has come into effect on 1 September 2021, which provides the requirements on establishing a sound data security management system when business operators carry out data processing activities and the relevant legal liabilities accruing from failure to perform the data security protection obligations stipulated by the requirements thereof.

Unauthorised calls and text messages

On 19 May 2015, MIIT issued the Provisions on the Administration of Communications Short Message Services (《通信短信息服務管理規定》), which regulates that short message service providers and short message content providers may not send commercial short messages to users without the latter's consent or request, or shall stop sending such short messages to users when the latter clearly present their refusal after their consent. Where short message service providers or short message content providers request users to consent to receive commercial short messages, they shall explain the types, frequencies and time limit of the commercial short messages to be sent and other information. Where no reply is given by a user, it shall be deemed that the user refuses to receive the short message. Where any users explicitly refuse to receive commercial short messages or do not give replies, the short message service providers or short message content providers may not send to them the short messages that contain the same or similar contents once again. As to the port-based commercial short messages sent through their telecommunication networks, basic telecommunication business operators shall guarantee that the relevant users have consented or requested to receive the relevant short messages.

The Work Plans for Promoting the Special Campaign Program for Comprehensive Action against Unauthorised Calls (《關於推進綜合整治騷擾電話專項行動的工作方案》) was issued by MIIT and came into effect on 27 October 2018, pursuant to which, enterprises including basic telecommunication service providers and call centre service providers shall coordinate with the MIIT and its local authorities to control and rectify unauthorised calls, and call centre service provider shall strictly control the channels for unauthorised calls, including but not limit to (1) establish forbidden call lists so that the telemarketing calls could not reach those end-users who have explicitly refused to be reached by telemarketing calls of a particular industry or business, (2) strictly control the timing and frequency of active call-out and reserve the record of such call within a certain period of time (generally not less than 30 days), and (3) improve technical abilities regarding prevention and monitoring of unauthorised calls and risk precaution.

On 31 August 2020, the MIIT promulgated the Administrative Provisions on Short Messaging and Voice Call Services (Draft for Comment)(《通信短信息和語音呼叫服務管理規定(徵求意見稿)》), which add requirements for voice call services and further clarify the service specifications of short message services and voice call services, on the basis of the Short Message Provisions. It requires that telemarketing calls shall not be made if users specifically refuse so.

App provisions

Provisions on the Administration of Mobile Internet Applications Information Services(《移動互聯網應用程序信息服務管理規定》) (the "**App Provisions**") promulgated by the Cyberspace Administration of China (the "**CAC**") on 28 June 2016, and became effective on 1 August 2016, regulated the App information service providers and the App Store service providers. Under the App Provisions, the App information service providers shall acquire relevant qualifications required by laws and regulations and implement the information security management responsibilities strictly and fulfil their obligations as follows: (i) shall authenticate the identity information of the registered users including their mobile telephone number and other identity information under the principle that mandatory real name registration at the back-office end, and voluntary real name display at the front-office end, (ii) shall establish and perfect the mechanism for the protection of users' information, and follow the principle of legality, rightfulness and necessity, indicate expressly the purpose, method and scope of collection and use and obtain the consent of users while collecting and using users' personal information, (iii) shall establish and perfect the mechanism for the examination and management of information content, and in terms of any information content released that violates laws or regulations, take such measures as warning, restricting the functions, suspending the update and closing the accounts as the case may be, keep relevant records and report the same to relevant competent authorities, (iv) shall safeguard users' right to know and to make choices when users are installing or using such applications, and shall neither start such functions as collecting the information of users' positions, accessing users' contacts, turning on the camera and recording the sound, or any other function irrelevant to the services, nor forcefully install any other irrelevant applications without prior consent of users when noticed expressly, (v) shall respect and protect the intellectual properties and shall neither produce nor release any application that infringes others' intellectual properties; and (vi) shall record the users' log information and keep the same for 60 days.

On 16 December 2016, the MIIT promulgated the Interim Administrative Provisions on the Pre-Installation and Distribution of Mobile Smart Terminal Application Software (《移動智能終端應用軟件預置和分發管理暫行規定》) (the ''**Mobile Application Interim Provisions**''), which took effect on 1 July 2017. The Mobile Application Interim Provisions require, among others, that internet information services providers must ensure that a mobile application, as well as its ancillary resource files, configuration files and user data can be uninstalled by a user on a convenient basis, unless it is a basic functional software, which refers to a software that supports the normal functioning of hardware and operating system of a mobile smart device.

According to the Announcement of Launching Special Crackdown against Illegal Collection and Use of Personal Information by 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》) issued and took effect on 23 January 2019, the Guideline to the Self-Assessment of Illegal Collection and Use of Personal Information by Apps (《App違法違規收集使用個人信息自評估指南》) issued and took effect on 3 March 2019, and the Methods for Identifying Unlawful Acts of Applications (Apps) to Collect and Use Personal Information (《App違法違規收集使用個人信息行為認定方法》) issued and took effect on 28 November 2019, App operators shall follow the principle of legality, rightfulness and necessity for collection of personal information. Only personal information related to the service provided may be collected, and no personal information may be collected without the users' express consent.

Cloud computing business

On 6 January 2015, the State Council issued the Opinions of the State Council on Promoting the Creative Development of Cloud Computing and Cultivating New Business Types in the Information Industry (《國務院關於促進雲計算創新發展及培育信息產業新業態的意見》), which provided the principles on promoting the development of cloud computing and the innovation of cloud computing industry.

On 24 November 2016, MIIT issued the Announcement on Seeking Comments on the Notice on Regulating Business Activities in the Cloud Services Market(《關於規範雲服務市場經營行為的通知(公開徵求意見稿)》(the "**Draft Cloud Business Announcement**"). The Draft Cloud Business Announcement provides that, to provide cloud services within the territory of China, business operators shall meet relevant requirements on capital, staff, premises and facilities, pass the relevant technical evaluation, and obtain the corresponding business licence for value-added telecommunication services in accordance with the Administrative Measures on Telecommunication Business Operating Licence (《電信業務經營許可管理辦法》)and the Circular of the MIIT of the People's Republic of China on Further Regulating the Market Access for Businesses of Internet Data Centres and Internet Services Providers (《中華人民共和國工信部關於進一步規範因特網數據中心業務和因特網接入服務業務市場準入的通知》). Moreover, cloud service operators shall build a cloud service platform within the territory of the PRC. If the related servers need to connect with internet sites outside of the PRC, the data shall be routed through the international internet gateways approved by the MIIT, and the cloud service operators shall not build or use other channels via leased lines or VPN to connect with foreign sites. No formal regulations in connection with the Draft Cloud Business Announcement is promulgated to date.

LAWS AND REGULATIONS IN RELATION TO DIVIDEND DISTRIBUTION

The Company Law provides the principal regulations regarding dividend distributions. Dividend distribution by WFOE is further governed by the Foreign Investment Law and the Implementation Rules.

Under these laws and regulations, PRC companies, including wholly foreign-owned enterprises (the "**WFOEs**") may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting principles. In addition, PRC

companies, including WFOEs are required to set aside each year at least 10% of their after-tax profit based on PRC accounting principles to their statutory general reserves funds until the cumulative amount of such reserve fund reaches 50.0% of their registered capital. These reserves are not distributable as cash dividends. Furthermore, WFOEs in the PRC may also be required to set aside funds for employee bonus and welfare, at the discretion of such WFOEs and as stipulated in their articles of association. These reserves or funds are not distributable as dividends.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise income tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (Revised in 2019) (《中華人民共和國企業所得税法實施條例》(2019修訂)) (the "**EIT Law Implementation Rules**"), enterprises and other organisations with income shall pay enterprise income tax. Under the EIT Law, enterprises are categorised into resident and non-resident enterprises. Resident enterprises, which are established in China, or which is established under the law of a foreign country (region) but has de facto management body inside China, are subject to the uniform 25.0% enterprise income tax rate for their global income. It is also provided that the enterprise income tax shall be levied at the reduced rate of 20.0% for qualified "small and thin-profit enterprises" and the enterprise income tax shall be levied at the reduced rate of 15.0% for "new and high technology enterprises" in key industries supported by the PRC government. In certain circumstances, the enterprise income tax may be exempted or reduced, or preferential enterprise income tax may be granted.

Pursuant to the Measures for the Administration of the Accreditation of High-Tech Enterprises (Revised in 2016) (《高新技術企業認定管理辦法(2016修訂)》), which was promulgated by the Ministry of Science and Technology, Ministry of Finance (the "**MOF**") and the STA on 29 January 2016 and came into effect from 1 January 2016, high and new technology enterprises, which are accredited pursuant to this Measure, may apply for entitlement to the tax incentive policies pursuant to the relevant provisions of the EIT Law and EIT Law Implementation Rules. According to EIT Law and EIT Law Implementation Rules, the income tax for high and new technology enterprises supported by the State will be at a reduced tax rate of 15%.

According to the Notice of the State Council on Issuing Several Policies on Encouraging the Development of the Software and Integrated Circuit Industries (《國務院關於印發鼓勵軟件產業和集成電路產業發展若干政策的通知》) which was issued on 24 June 2000, and Notice of the State Council on Issuing Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (《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》) which was issued on 28 January 2011, software enterprises enjoyed preferential policies on enterprise income tax and value-added tax.

Notice of the MOF, STA, NDRC and MIIT on Issues concerning Preferential Enterprise Income Tax Policies for the Software and Integrated Circuit Industries (Cai shui No. 49 [2016]) (《財政部、國家税務總局、發展改革委、工業和信息化部關於軟件和集成電路產業企業所得税優惠政策有關問題的通知》(財税[2016]49號)) which was issued on 4 May 2016 and amended on 28 March 2018 and Measures on Handling of Enterprise Income Tax Incentives (Revision 2018) (Notice of STA No. 23 [2018])《企業所得税優惠政策事項辦理辦法(2018修訂)》(國家税務總局公告2018年第23號), which was issued on 25 April 2018, stipulated that the enjoyment of preferences by enterprises shall be handled in the manner of "independent judgment, declaration for enjoyment, and retention of relevant materials for future reference".

Dividend tax

Pursuant to the EIT Law, income from equity investment between qualified PRC resident enterprises such as dividends and bonuses, which refers to investment income derived by a resident enterprise from direct investment in another resident enterprise, is tax-exempt.

According to the Agreement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) which was issued on 21 August 2006, the 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident company if such Hong Kong resident company directly holds at least 25% of the equity interests in the PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Circular of the STA on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) which took effect on 20 February 2009, all of the following requirements shall be satisfied in order to enjoy the preferential tax rates provided under the tax agreements: (i) the tax resident that receives dividends should be a company as provided in the tax agreement, (ii) the equity interests and voting shares of the PRC resident company directly owned by the tax resident reach the percentages specified in the tax agreement; and (iii) the equity interests of the Chinese resident company directly owned by such tax resident at any time during the twelve months prior to receiving the dividends reach a percentage specified in the tax agreement. On 3 February 2018, the STA issued the Notice on Certain Issues regarding Beneficial Owner in Tax Treaties (《關於税收協定中"受益所有人"有關問題的公告》) which took effect on 1 April 2018, providing clearer guidelines and adopting comprehensive assessment approaches on determining whether a company can be qualified as a Beneficial Owner, which is necessary in order to enjoy the preferential tax rate on dividends.

Pursuant to the Administrative Measures for Convention Treatment for Non-resident Taxpayers (《非居民納税人享受協定待遇管理辦法》) promulgated by the STA on 14 October 2019 and became effective on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future inspection." Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and subject to subsequent administration by tax authorities.

Value-added tax

Pursuant to Announcement of STA on Issues Concerning Expanding the Applicable Scope of the Policy of Temporary Exemption of Withholding Taxes on the Direct Investment Made by Overseas Investors with Distributed Profits (《國家税務總局關於擴大境外投資者以分配利潤直接投資暫不徵收預提所得税政策適用範圍有關問題的公告》) which took effect on 1 January 2018, where the profits distributed by a resident enterprise within the territory of China to an overseas investor are directly invested in an investment project which is not in the prohibited category and is in conformity with the specified conditions, the project shall be governed by the deferred tax payment policy and be temporarily exempt from withholding income tax.

Pursuant to the Interim Regulation of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》) promulgated on 13 December 1993 and last amended on 19 November 2017, all entities and individuals in the PRC engaging in sale of goods or labour services of processing, repair or replacement, sale of services, intangible assets, or immovables, or import of goods shall pay value-added tax for the added value derived from the process of manufacture, sale or services are taxpayers of value-added tax (the "**VAT**"), and shall pay VAT. The VAT tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT levy rate applicable to the small-scale taxpayers is 3%.

According to the MOF and STA on Adjusting Value-added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) which took effect on 1 May 2018, where a taxpayer engages in a taxable sales activity for the VAT purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to 16% and 10% respectively, and are further adjusted to be 13% and 9% respectively in accordance with the Announcement of the MOF, the STA and the GAC on Deepening the Policies Related to Value-Added Tax Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》) which took effect on 1 April 2019.

Notice of the MOF and STA on VAT Policies for Software Products (《財政部、國家税務總局關於軟件產品增值税政策的通知》) provides that if general VAT taxpayers sell self-developed and produced software products, after VAT has been collected at a tax rate of 17%, the refund-upon-collection policy shall be applied to the part of actual VAT burden exceeding 3%.

Urban maintenance and construction tax and education surcharges

According to the Urban Maintenance and Construction Tax Law of the People's Republic of China (《中華人民共和國城市維護建設税法》) promulgated by the SCNPC on 11 August 2020 and took effective on 1 September 2021, a taxpayer of consumption tax, value-added tax or business tax is required to pay a municipal maintenance tax calculated on the basis of consumption tax, value-added tax and business tax. The tax rate is 7% for a taxpayer in an urban area, 5.0% for a taxpayer in a county or a town, and 1% for a taxpayer not in any urban area or county or town.

The Interim Provisions on the Collection of Educational Surcharges (《徵收教育費附加的暫行規定》) issued on 28 April 1986 and last amended on 8 January 2011 provided that taxpayers of consumption tax, value-added tax and business tax shall pay educational surcharges. Educational surcharges are evaluated on the amount of value-added tax, business tax or consumption tax actually paid by entities and individuals, collected at the rate of 3%, and paid simultaneously with value-added tax, business tax or consumption tax. It is also stipulated that enterprises' educational surcharges are to be paid with sales income (or business income).

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulation of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulation**") enacted by the State Council on 29 January 1996, and last amended on 5 August 2008, domestic institutions and individuals can transfer their foreign exchange income back into the PRC territory or deposited overseas. Before making direct investment, issuing or trading negotiable securities or derivative products overseas, domestic institutions or individuals shall comply with the registration formalities at the foreign exchange administrative department of the State Council. If the relevant state provisions require them to get the approval of the competent department or archive the issue with the competent department, they shall do so before proceeding to fulfil the registration formalities.

The Circular of the People's Bank of China on Issuing the Provisions on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》), which took effect on 1 July 1996, a foreign invested enterprise is allowed to handle the settlement and sale of and payment in foreign exchange for capital account items after submitting valid commercial documents and getting approval from the State Administration of Foreign Exchange of the PRC (the "**SAFE**"). The Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**Circular 13**"), which took effect on 1 June 2015, simplifies the procedures of foreign exchange administration applicable to direct investment. Pursuant to the Circular 13, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment.

The Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprise (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular**

19"), was promulgated by SAFE on 30 March 2015 and came into effect on 1 June 2015, some of the provisions were abolished on 30 December 2019. Pursuant to Circular 19, the foreign exchange capital of the foreign-invested enterprises (the "**FIEs**") may be subject to either the discretional foreign exchange settlement or the payment-based exchange settlement system. Under the discretional settlement of foreign exchange capital of FIEs, the FIEs in the PRC may, according to their business needs, settle with a bank the portion of foreign exchange capital in their capital account for which the local foreign exchange authority has confirmed capital contribution rights and interests, and the portion allowed to be settled by an FIE is tentatively 100.0%. If Circular 19 is inconsistent with the provisions of Circular 16 below, the provisions of Circular 16 shall prevail.

The Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for the Administration of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") was promulgated by SAFE on 9 June 2016. Circular 16 unifies the discretional foreign exchange settlement for all the domestic institutions, including the FIEs, but excluding financial institutions. The discretional foreign exchange settlement refers to the foreign exchange receipts under the capital account which has been confirmed by the relevant polices subject to the discretional foreign exchange settlement (including foreign exchange capital, foreign loans and funds remitted from the proceeds from the overseas listing) can be settled at the banks based on the actual operational needs of the domestic institutions. The proportion of discretional foreign exchange settlement of the foreign exchange capital is temporarily determined as 100%. Furthermore, Circular 16 stipulates that the use of foreign exchange receipts of capital accounts by domestic institutions, including the FIEs, shall follow the principles of authenticity and self-use within the business scope of enterprises.

In accordance with the Notice of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-tripping Investment Made by Domestic Residents through Special-Purpose Companies (《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》) (the "**Circular No. 37**"), a "special purpose vehicle" means an overseas enterprise directly established or indirectly controlled by a domestic resident (including domestic institutions and domestic individual residents) for the purpose of engaging in investment and financing with the domestic enterprise assets or interests he legally holds, or with the overseas assets or interests he legally holds. Domestic residents establishing or taking control of a special purpose vehicle abroad which makes round-trip investments in the PRC are required to file foreign exchange registration with the local foreign exchange bureau. According to the Direct Investment-related Foreign Exchange Policies, the initial foreign exchange registration for establishing or taking control of a special purpose vehicle by domestic residents can be filed with a qualified bank, instead of the local foreign exchange bureau.

SAFE promulgated the Circular of the SAFE on Issues concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Overseas (《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》) (the "**Circular No. 7**") on 15 February 2012, replacing the previous rules issued by SAFE in March 2007. Under the

Circular No. 7 and other relevant rules and regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants in a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of the participants. In addition, the PRC agent 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 or the PRC agent or any other material changes. The PRC agent must apply to SAFE or its local branches on behalf of the PRC residents who have the right to exercise the employee share options for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents.

LAWS AND REGULATIONS RELATING TO M&A

According to the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**"), promulgated by the MOFCOM, the China Securities Regulatory Commission (the "**CSRC**"), the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the STA, the State Administration for Industry and Commerce and the SAFE on 8 August 2006, which came into force on 8 September 2006 and was amended on 22 June 2009, foreign investors' merger and acquisition of domestic enterprises shall comply with the requirements stipulated by laws, administrative regulations and rules of the PRC on investor qualifications and industry, land and environmental protection policies. Merger and acquisition of domestic enterprises by foreign investors for incorporation of foreign investment enterprises shall also be subject to MOFCOM's approval.

LAWS AND REGULATIONS RELATING TO COMPETITION AND ANTI-MONOPOLY

Anti-monopoly Law

According to the Anti-monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-monopoly Law**"), which was promulgated by SCNPC on 30 August 2007 and took effect on 1 August 2008, prohibits monopolistic conduct, such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition. Competing business operators may not enter into monopoly agreements that eliminate or restrict competition, by (i) joint boycotting transactions, (ii) fixing or changing the price of commodities, (iii) limiting the output of commodities, (iv) allocating the markets for sales or purchases of raw materials, (v) limiting the purchase of new technology and new facilities or the development of new products and new technology, (vi) fixing the price of commodities or restricting the lowest price of commodities for resale to third parties; or (vii) other acts stipulated by laws or identified by relevant governmental authorities, unless such agreement can satisfy the

limited exemptions under the Anti-monopoly Law. Sanctions for violations include an order to cease the relevant activities, and confiscation of illegal gains and fines (from 1% to 10% of sales revenue from the previous year, or RMB500,000 if the intended monopoly agreement has not been performed).

Besides, a business operator with a dominant market position may not abuse its dominant market position by (i) selling commodities at unfairly high prices or buying commodities at unfairly low prices, (ii) selling products at prices below cost without any justifiable cause, (iii) refusing to trade with a trading party without any justifiable cause, (iv) requiring a counterparty to trade exclusively with it or undertakings appointing by it without legitimate reasons, (v) tie-in sales or imposing other unreasonable trading conditions without justifiable cause, (vi) applying differentiated prices or other transaction terms to equivalent counterparties; or other acts identifies by relevant governmental authority. Sanctions for violation of the prohibition on the abuse of dominant market position include an order to cease the relevant activities, confiscation of the illegal gains and fines (from 1.0% to 10.0% of sales revenue from the previous year).

Anti-unfair Competition Law

Competition among business operators is generally governed by the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-unfair Competition Law**"), which was promulgated by SCNPC on 2 September 1993 and was last amended on 23 April 2019. According to the Anti-unfair Competition Law, when trading on the market, operators must abide by the principles of voluntariness, equality, fairness and honesty and observe laws and business ethics. Acts of operators constitute unfair competition where they contravene the provisions of the Anti-unfair Competition Law and disturb market competition with a result of damaging the lawful rights and interests of other operators or consumers. When the lawful rights and interests of an operator are damaged by the acts of unfair competition, it may institute proceedings in a people's court. In comparison, where an operator commits unfair competition in contravention of the provisions of the Anti-unfair Competition Law and causes damage to another operator, it will be responsible for compensating for the damages. Where the losses suffered by the injured operator are difficult to calculate, the amount of damages will be the profit gained by the infringer through the infringing act. If an operator seriously infringes a trade secret in bad faith, the amount of compensation the operator will undertake will be up to not more than five times the amount of such damages. The infringer will also bear all reasonable costs paid by the injured operator to prevent the infringement.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and then respectively amended in 1992, 2000, 2008 and 2020 and its implementation rules. The latest applicable Patent Law was promulgated on 17 October 2020 and have become effective on 1 June 2021. After the grant of the patent right for an invention or utility model, except where

otherwise permitted under the law, no entity or individual may, without the authorisation of the patent owner, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process, for production or business purposes. After a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, for production or business purposes, manufacture, offer to sell, sell, or import any product containing the patented design. Where the infringement of patent is decided, the infringer shall undertake to cease the infringement, take remedial action, and pay damages, etc. The protection period is 20 years for an invention patent and 10 years for a utility model patent, and 15 years for a design patent, commencing from their respective application dates.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), which was issued by the SCNPC on 7 September 1990, and last amended on 11 November 2020, specifies that works of Chinese citizens, legal entities or unincorporated organisations, including literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms, whether published or not, all enjoy the copyright. Copyright holders can enjoy multiple rights, including but not limited to the right of publication, the right of authorship and the right of reproduction.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was issued by the National Copyright Administration on 20 February 2002, regulates the registration of software copyright, the exclusive licensing contract and transfer contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and recognises the China Copyright Protection Centre as the software registration organisation. The Copyright Protection Centre of China will grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computers Software (《計算機軟件保護條例》), which also outline the operational procedures for registration of software copyright, as well as registration of software copyright licence and transfer agreements.

Trademark

According to the Trademark Law of the PRC (2019 Revision) (《中華人民共和國商標法》(2019修訂)) and the Regulation on the Implementation of the Trademark Law of the PRC (2014 Revision) (《中華人民共和國商標法實施條例》(2014修訂)), entities and individuals who need to acquire the right to exclusively use a trademark on the goods or services thereof in the course of business operations shall submit application to the Trademark Office for trademark registration. The exclusive right to use a registered trademark is limited to the trademark registered and to the goods in respect of which the registration has been made. The period of validity of a registered trademark is 10 years, starting from the date of registration. Trademark registrants can renew the registration within twelve months before the expiry of the period of validity.

Domain name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was issued by the MIIT on 24 August 2017, and came into effect on 1 November 2017, MIIT is responsible for managing internet network domain names of China. The ".CN" and the "zhongguo (in Chinese character)" shall be China's national top-level domains. The principle of "first-to-file" is adopted for domain name services. A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name, and verify the authenticity and completeness of the domain name registration information.

LAWS AND REGULATIONS RELATING TO LABOUR AND SOCIAL INSURANCE

Labour

According to the Labour Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994, came into effect on 1 January 1995, and was last amended on 29 December 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its workers.

According to the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on 29 June 2007, came into effect on 1 January 2008 and was amended on 28 December 2012, and the Implementation Regulations on Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated and became effective on 18 September 2008, employers and employees shall enter into written labour contracts to establish their employment relationship. The labour contracts shall set forth the terms, duties, remunerations, disciplinary rules of the employment and the conditions to terminate the labour contracts. With respect to a circumstance where a labour relationship has already been established but no formal contract has been made, a written labour contracts shall be entered into within one month from the date when the employee begins to work.

Social insurance and housing provident fund regulations

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 28 October 2010 and effective from 1 July 2011, and was subsequently amended on 29 December 2018, and other relevant PRC laws and regulations such as the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), Regulations on Work Injury Insurance (《工傷保險條例》), Regulations on Unemployment Insurance (《失業保險條例》) and Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security

premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was taken effected on 3 April 1999, and last amended on 24 March 2019, employers shall undertake to register with the competent administrative centre of housing provident fund (the "**Centre**") and upon the verification by the Centre, open accounts of housing provident fund for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident fund for their employees in full amount.

The employer shall process housing provident fund payment and deposit registrations with the Centre. Companies who violate the above regulations and fail to process housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees shall be ordered by the Centre to complete such procedures within a prescribed time limit, failure of which will result in a fine of not less than RMB10,000 but not more than RMB50,000. When an employer breaches these regulations and fails to pay up housing provident fund contributions in full amount as due, the Centre shall order such employer to pay up within a prescribed time limit. Where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

On 24 December 2021, the CSRC, together with other relevant government authorities in the PRC issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)), and the Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (境內企業境外發行上市備案管理辦法(徵求意見稿)) ("**Draft Listing Regulations**"). The Draft Listing Regulations required that a PRC domestic enterprise seeking to issue and list its shares overseas shall complete the filing procedures and submit the relevant information to CSRC. The Draft Listing Regulations also proposed a number of regulatory requirements for listing applicants adopting a variable interest entity structure through contractual arrangements. As of [the date of this [**REDACTED**]], the Draft Listing Regulations were in draft form and had not come into effect.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY

On January 4, 2022, the Cyberspace Administration of China ("**CAC**") jointly with other government authorities released the revised Measures for Cybersecurity Reviews ("**Revised Measures**"), which took effect on February 15, 2022. Based on Article 7 of the Revised Measures, a network platform operator that has the personal information of more than one million users is required to apply for a cybersecurity review when it seeks to list overseas.

Given the fact that Hong Kong is within the sovereign territory of PRC, it is unlikely that [**REDACTED**] in Hong Kong will be considered as "[**REDACTED**] overseas". Besides, according to the Regulations on Network Data Security Management (Draft for Comments, "**Draft Regulations**") published on November 14, 2021, the provisions for "[**REDACTED**] overseas" and "[**REDACTED**] in Hong Kong" are separately stipulated in the second and third subparagraphs of Article 13. Therefore, it is understood that Article 7 of the Revised Measures does not include Hong Kong [**REDACTED**], and we believe, as advised by our PRC Legal Advisers, that we are not required to file an application for cybersecurity review under Article 7.

Our PRC Legal Advisor, the PRC Legal Advisor to the Sole Sponsor and the Sole Sponsor conducted a follow-up telephone consultation with the China Cyber Technology and Certification Centre (the "**Centre**") on 8 February 2022, during which our Company's identity was disclosed and the Centre was requested to give a written confirmation on the application of the New Cybersecurity Regulations. While the Centre refused to give any written confirmation regarding the application of the New Cybersecurity Regulations, it confirmed our PRC Legal Advisor's understanding of the New Cybersecurity Regulations orally and it also agreed that it is not compulsory for our Company to apply for a cybersecurity review under the New Cybersecurity Regulations in relation to our [**REDACTED**].

LAWS AND REGULATIONS RELATING TO OVERSEAS DIRECT INVESTMENT

Measures for the Administration of Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on 6 September 2014, and came into effect on 6 October 2014. As defined by the Measures, overseas investment means that the enterprises legally incorporated in the PRC own the non-financial enterprises or obtain the ownership, control and operation management rights of the existing non-financial enterprises in foreign countries through incorporation, merger and acquisition and other means. If the overseas investments involve sensitive countries and regions or sensitive industries, they shall be subject to the approval of competent authorities. For other overseas investments, they shall be subject to filing administration. Local enterprises shall be filed with the provincial commercial administration authorities where they are located. The qualified enterprises will be put into record and granted with Overseas Investment Certificate for Enterprise by the relevant provincial commercial administration authorities.

On 26 December 2017, NDRC issued the Administrative Measures for the Overseas Investment of Enterprises (《企業境外投資管理辦法》), which took effect on 1 March 2018. Under the Measures, sensitive overseas investment projects carried out by PRC enterprises either directly or through overseas enterprises under their control shall be approved by NDRC, and non-sensitive overseas investment projects directly carried out by PRC enterprises shall be filed with NDRC or its local branch at provincial level. In the case of the large-amount non-sensitive overseas investment projects with the investment amount of USD300.0 million or above carried out by PRC enterprises through the overseas enterprises under their control, such PRC enterprises shall, before the implementation of the projects, submit a report describing the details about such large-amount non-sensitive projects to NDRC. Where the PRC resident natural persons make overseas investments through overseas enterprises under their control, the Measures shall apply mutatis mutandis. Subsequently on 31 January 2018, NDRC issued the Catalogue of Sensitive Overseas Investment Industry (2018 Version) (《境外投資敏感行業目錄(2018年版)》) effective from 1 March 2018, under which enterprises shall be restricted from making overseas investments in certain industries including but not limited to news media, real estate and hotel.