PRC REGULATORY OVERVIEW

We operate our business in China under a legal regime created and made by PRC lawmakers consisting of the National People's Congress, or the NPC, the country's highest legislative body, the State Council, the highest authority of the executive branch of the PRC central government, and several ministries and agencies under its authority, including the Ministry of Education, or the MOE, the Ministry of Industry and Information Technology, or the MIIT, the State Administration for Market Regulation (formerly known as the State Administration for Industry and Commerce), or the SAMR, the National Press and Publication Administration (formerly known as the State Administration of Press Publication Radio Film and Television), the Ministry of Commerce, or MOFCOM, and the National Development and Reform Commission, or the NDRC. Set out below is a brief overview of the significant aspects of the PRC laws and regulations relating to our business operations.

Laws and regulations relating to value-added telecommunications services

On September 25, 2000, the State Council issued the PRC Regulations on Telecommunications (《中華人民共和國電信條例》), or the Telecommunications Regulations, as most recently amended on February 6, 2016, to regulate telecommunications activities and telecommunications service suppliers in China. The Telecommunications Regulations divides the telecommunications services into two categories, namely "infrastructure telecommunications services" and "value-added telecommunications services." Pursuant to the Telecommunications Regulations, operators of value-added telecommunications services, or VATS, must first obtain a Value-added Telecommunications Business Operating License, or VATS License, from the MIIT or its provincial level counterparts. On July 3, 2017, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》), which sets forth more specific provisions regarding the types of licenses required to operate VATS, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses.

The Classified Catalog of Telecommunications Services (2015 Version) (《電信業務分類目錄》), or the 2015 MIIT Catalog (「**2015年工信部目錄**」), effective on March 1, 2016 and as most recently amended on June 6, 2019, defines information services as "the information services provided for users through public communications networks or Internet by means of information gathering, development, processing and the construction of the information platform." Moreover, information services continue to be classified as a category of VATS and are clarified to include information release and delivery services, information search and query services, information community platform services, information real-time interactive services, and information protection and processing services under the 2015 MIIT Catalog.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), or the ICP Measures, promulgated by the PRC State Council and which was latest amended on January 8, 2011, sets forth more specific rules on the provision of Internet information services. According to the ICP Measures, any company that engages in the provision of commercial Internet information services must obtain a sub-category VATS License for Internet Information Services, or the ICP License, from the relevant government authorities before providing any commercial Internet information services within the PRC. Pursuant to the above-mentioned regulations, "commercial Internet information services" generally refer to provision of specific information content, online advertising, web page construction and other online application services through the Internet for profit making purpose. According to the ICP Measures, Internet information service providers cannot produce, duplicate, publish or disseminate information that (i) is against any fundamental principles set out in the Constitution of the PRC; (ii) endangers the national security, leaks the national secrets, incites to overthrow the national power, or undermines the national unity; (iii) damages the national honor or interests; (iv) incites the ethnic hatred and ethnic discrimination or undermines the solidarity among all ethnic groups; (v) undermines the national policies on religions and advocates religious cults and feudal superstition; (vi) disseminates rumors to disrupt the social order and undermines the social stability; (vii) disseminates the obscene materials, advocates gambling, violence, killing and terrorism, or instigates others to commit crimes; (viii) humiliates or defames others or infringes the legitimate rights and interests of others; and (ix) is otherwise prohibited by laws and regulations.

In addition to the Telecommunications Regulations and the other regulations discussed above, the provision of commercial Internet information services on mobile Internet APPs is regulated by 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 was promulgated by the Cyberspace Administration of China, or the CAC, on June 28, 2016 and came into effect on August 1, 2016. The providers of mobile Internet applications are subject to requirements under these provisions, including acquiring the qualifications and complying with other requirements provided by laws and regulations and being responsible for information security.

Laws and regulations relating to foreign investment

Industry catalog relating to foreign investment

The MOFCOM and the NDRC jointly promulgated the Negative List for Foreign Investment Access (《外商投資准入特別管理措施》(負面清單)), or the Negative List, on December 27, 2021, which became effective on January 1, 2022, and the Catalog of Industries for Encouraging Foreign Investment (2020 Edition) (《鼓勵外商投資產業目錄(2020年版)》), or the Catalog, on December 27, 2020, which became effective on January 27, 2021. The Catalog and the Negative List set forth the industries in which foreign investments are encouraged, restricted, or prohibited. Industries that are not listed in any of the above two

categories are generally open to foreign investment unless specifically restricted by other PRC regulations. Establishment of wholly foreign-owned enterprises is generally allowed in encouraged and permitted industries. Foreign investors are not allowed to invest in industries in the prohibited category.

Foreign investment law and regulations

On March 15, 2019, the NPC Foreign Investment Law of the PRC adopted the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), or the FIL, which came into effect on January 1, 2020. Pursuant to the FIL, China will grant national treatment to foreign-invested entities, except for those foreign-invested entities that operate in "restricted" or "prohibited" industries prescribed in the Negative List.

According to the FIL, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or other organizations of a foreign country (collectively referred to as "foreign investors") within China, and such investment activities including: (i) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project within China; and (iv) a foreign investor invests through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Although the FIL does not comment on the concept of "de facto control" or contractual arrangements with variable interest entities, it has a catch-all provision to include investments made by foreign investors in China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to classify contractual arrangements as a form of foreign investment.

The FIL also provides that the State establishes a foreign investment information report system. Foreign investors or the foreign investment enterprise shall submit investment information to the competent commerce department through the enterprise registration system and the enterprise credit information publicity system and the foreign investors or the foreign investment enterprise could be imposed a fine ranging from RMB100,000 to RMB500,000 by the competent commerce department for failing to report investment information as required to the foreign investment information report system. On December 30, 2019, 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 became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign investment enterprise shall submit the investment information to the competent commerce department.

On December 26, 2019, the State Council promulgated the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), or the Implementation Regulation for FIL, which became effective on January 1, 2020. The Implementation Regulation for FIL provides that foreign investment enterprises established in accordance with the Law of the PRC on Sino-foreign Equity Joint Venture Enterprises, the Law of the PRC on Foreign Investment Enterprises and the Law of the PRC on Sino-foreign Cooperative Joint Venture Enterprises prior to implementation of the FIL may, within the five-year period following the implementation of the FIL, adjust their organization form, organization structure pursuant to the provisions of the PRC Company Law, the PRC Partnership Enterprise Law and related laws, and complete change registration in accordance with the law, or may continue to retain their original enterprise organization form or organization structure. With effect from January 1, 2025, where an existing foreign investment enterprise has not adjusted its organization form or organization structure and complete the change registration in accordance with the law, the market regulatory authorities shall not process the application(s) for any other registration matter(s) of the said foreign investment enterprise, and shall publicly announce the relevant information.

Regulations relating to foreign investment restrictions

According to the Negative List, the provision of value-added telecommunications services falls in the restricted industries and the percentage of foreign ownership cannot exceed 50% (except for e-commerce, domestic multi-party communication, store-and-forward and call center).

Moreover, foreign direct investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定), which was promulgated by the State Council on December 11, 2001 and most recently amended on May 1, 2022 (the "**2022 FITE Regulations**"). The 2022 FITE Regulations, among others, no longer requires the main foreign investor who invests in a value-added telecommunications business in the PRC to possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations. The 2022 FITE Regulations prescribes that foreign investors are not allowed to hold more than 50% of the equity interests of a company engaged in value-added telecommunications business, except as otherwise stipulated by the state, and that a foreign-invested enterprise must be approved by the MIIT to engage in value-added telecommunications business. However, as of the Latest Practicable Date, no applicable PRC laws, regulations or rules had provided a clear guidance or interpretation regarding the foregoing amendment in the 2022 FITE Regulations and the interpretation and enforcement of the foregoing amendment in the 2022 FITE Regulations remains uncertain in practice. We will closely monitor relevant regulatory development in connection with the 2022 FITE Regulations.

The foregoing amendment in the 2022 FITE Regulations applies to all foreign-invested enterprises who apply for a value-added telecommunication business operating license after May 1, 2022. Based on the facts that, (i) as of the Latest Practicable Date, we had already obtained the value-added telecommunication business operating license, (ii) the 2022 FITE Regulations does not raise any additional requirements or restrictions on enterprises who have already obtained the value-added telecommunication business operating license before such amendment and (iii) as of the date of this Document, we have not received any inquiry, notice, sanction or other concern from any authorities regarding the Contractual Arrangements and VIE structure, and save for the uncertainties regarding interpretation and implementation of the 2022 FITE Regulations as disclosed in this Document, our PRC Legal Advisor is of the view that the above changes in laws and regulations in relation to value-added telecommunication services will not affect the validity and the legality of our value-added telecommunication business operating license and will not have a material adverse effect on our operations in the PRC in effect as of the Latest Practicable Date.

Based on the foregoing, our Directors are of the view that the 2022 FITE Regulations will not have a material adverse effect on our business and operations.

On July 13, 2006, the MIIT, issued the Circular on Strengthening the Administration of Foreign Investment in Value-added Telecommunications 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》), which requires that (i) foreign investors can only operate a telecommunications business in China through establishing a telecommunications enterprise with a valid telecommunications business operation license; (ii) domestic license holders are prohibited from, in any form, leasing, transferring or selling telecommunications business operation licenses to foreign investors or providing any resource, sites or facilities to foreign investors to facilitate the unlicensed operation of telecommunications business in China; (iii) value-added telecommunications services providers or their shareholders must directly own the domain names and registered trademarks they use in their daily operations; (iv) each value-added telecommunications services provider must have the necessary facilities for its approved business operations and maintain such facilities in the geographic regions covered by its license; and (v) all value-added telecommunications services providers should improve network and information security, enact relevant information safety administration regulations and set up emergency plans to ensure network and information safety. The provincial communications administration bureaus, as local authorities in charge of regulating telecommunications services, may revoke the value-added telecommunications business operation licenses of those who fail to comply with the above requirements or fail to rectify such non-compliance within specified time limits.

Laws and regulations relating to the manufacture and sale of educational tablet PCs and telephone watches

General provisions on the administration of the manufacture and sale of educational tablet PCs and telephone watches

According to Administrative Regulations on Compulsory Product Certification (《強制性產品認證管理規定》) promulgated by the State General Administration for Quality Supervision, Inspection and Quarantine, or AQSIQ (merged into the State Administration for Market Regulation) on July 3, 2009, if any product specified by the State fails to be certified and labeled with a certification mark (label of China Compulsory Certification), it shall not be delivered, sold, imported or used in other business activities. For products that should obtain China Compulsory Certification, the State establishes unified product catalogs, unified mandatory requirements, standards and conformity assessment procedures for technical specifications, unified certification labels and unified charging standards. According to the Catalog of the First Batch of Products Subject to China Compulsory Certification (《第一批實施強制性產品認證的產品目錄》) promulgated by the AQSIQ and the Certification and Accreditation Administration of China on December 3, 2001, any learning machine and CDMA digital cellular mobile station should not be delivered, sold, imported or used until China Compulsory Certification is obtained.

In addition to China Compulsory Certification, sales of radio module products in China shall obtain the approval certificate of radio transmission equipment type in compliance with the Regulations of the PRC on the Management of Radio Operation (《中華人民共和國無線電管理條例》) promulgated by the State Council and the Central Military Commission on September 11, 1993, as amended on November 11, 2016 and Administrative Provisions Governing the Production of Radio Transmission Devices (《國家無線電管理委員會、國家技術監督局關於生產無線電發射設備的管理規定》) promulgated by the State Radio Administrative Commission and the State Administration of Quality and Technical Supervision (the predecessor of AQSIQ) on October 7, 1997, which became effective on January 1, 1999.

Regulations relating to product quality and consumer protection

Products manufactured in China shall comply with the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) promulgated on February 22, 1993, as most recently amended on December 29, 2018. According to the Product Quality Law, manufacturers of the products shall compensate for the injury to a person or damage to property caused by the defects of the products unless the manufacturers can prove one of the following that (i) the products have not been put into circulation; (ii) the defects causing the damage do not exist when the products are put in circulation; or (iii) the defects cannot be found at the time of circulation due to the scientific and technological level at the moment.

Under the Law on the Protection of the Rights and Interests of Consumers of the PRC (《中華人民共和國消費者權益保護法》), promulgated by the Standing Committee of the National People's Congress, or the SCNPC, on October 31, 1993, became effective on January

1, 1994 and was most recently amended on October 25, 2013, a business operator providing a commodity or service to a consumer is subject to a number of requirements, including the following: (i) to ensure that commodities and services meet with certain safety requirements; (ii) to disclose serious defects of a commodity or a service and adopt preventive measures against damage occurrence; (iii) to provide consumers with true information and to refrain from conducting false advertising; (iv) not to set unreasonable or unfair terms for consumers or alleviate or release itself from civil liability for harming the legal rights and interests of consumers by means of standard contracts, circulars, announcements, shop notices or other means; and (v) not to insult or slander consumers or to search the person of, or articles carried by, a consumer or to infringe upon the personal freedom of a consumer.

Business operators may be subject to civil liabilities for failing to fulfill the obligations discussed above. These liabilities include restoring the consumer's reputation, eliminating the adverse effects suffered by the consumer, and offering an apology and compensation for any losses incurred. The following penalties may also be imposed upon business operators for the infraction of these obligations: issuance of a warning, confiscation of any illegal income, imposition of a fine, an order to cease business operations, revocation of its business license or imposition of criminal liabilities under circumstances that are specified in laws and statutory regulations.

Regulations relating to registration of import and export goods

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC, on January 22, 1987 and was most recently amended on April 29, 2021, unless otherwise specified, the customs formalities for import and export goods may be handled by the consignee and the consignor of the goods themselves or by Customs brokers entrusted by the consignor or consignee and approved by and registered with the Customs. The consignors or consignees of the goods exported or imported as well as Customs brokers must register themselves for declaration activities at customs in accordance with the law.

On November 29, 2021, the General Administration of Customs promulgated the Provisions of the People's Republic of China on the Administration of Recordation of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which became effective on January 1, 2022, provides that the consignee or consignor of imported or exported goods or a customs declaration enterprise who applies for recordation shall obtain the qualification of market entities. The consignee or consignor of imported or exported goods who applies for recordation shall obtain the registration of foreign trade business operators.

Laws and regulations relating to private education

The Education Law of PRC (《中華人民共和國教育法》), or the Education Law, sets forth provisions relating to the fundamental education systems of China, including a school system of pre-school education, primary education, secondary education and higher education, a system of nine-year compulsory education and a system of education certificates. The Education Law stipulates that the government formulates plans for the development of

education, establishes and operates schools and other types of educational institutions, and in principle, enterprises, institutions, social organizations and individuals are encouraged to operate schools and other types of educational organizations in accordance with PRC laws and regulations.

On December 28, 2002, the SCNPC promulgated the Non-state Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法》), or the Private Education Law, which was most recently amended on December 29, 2018. Pursuant to the Private Education Law, sponsors of private schools may choose to establish nonprofit or for-profit private schools at their own discretion and the establishment of the private schools must be subject to approvals granted by relevant government authorities and registered with relevant registration authorities.

On August 10, 2018, the Ministry of Justice, or the MOJ, published a draft amendment to the Regulations on the Implementation of the Non-state Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例(修訂草案)》), or the MOJ Draft, for public comment. The MOJ Draft stipulates that private schools using Internet technology to provide online diploma-awarding educational courses shall obtain the private school operating permit of similar academic education at the same level, as well as the Internet operating permit. The institutions that use Internet technology to provide training and educational activities, vocational qualification and vocational skills training, or providing an Internet technology service platform for the above activities, would need to obtain the corresponding Internet operating permit and file with the administrative department for education or the department of human resources and social security at the provincial level where the institution is domiciled, and such institutions shall not provide educational and teaching activities which require the private school operating permit. The Internet technology service platform that provides training and educational activities shall review and register the identity information of institutions or individuals applying for access to the platform. On April 7, 2021, the State Council promulgated the Regulations on the Implementation of the Non-state Education Promotion Law of the PRC (2021 revised) (《中華人民共和國民辦教育促進法實施條例 (2021年修訂)》), which took effect on September 1, 2021.

Laws and regulations relating to after-school tutoring and educational APPs

On February 13, 2018, the MOE, the Ministry of Civil Affairs, the Ministry of Human Resources and Social Security and the SAMR jointly promulgated the Circular on Alleviating After-school Burden on Primary and Secondary School Students and Implementing Inspections on After-school Training Institutions (《教育部辦公廳等四部門關於切實減輕中小學生課外負擔開展校外培訓機構專項治理行動的通知》), pursuant to which the government authorities will carry out a series of inspections on after-school training institutions and order those with material potential safety risks to suspend business for self-inspection and rectification and those without proper establishment licenses or school operating permits to apply for relevant qualifications and certificates under the guidance of competent government authorities. Moreover, after-school training institutions must file with the local education authorities and publicly present the classes, courses, target students, class hours and other information relating

to their academic training courses (primarily including courses on Chinese and mathematics). After-school training institutions are prohibited from providing academic training services beyond the scope or above the level of school textbooks, or organizing any academic competitions (such as Olympiad competitions) or level tests for students of primary and secondary schools. In addition, primary and secondary schools may not reference the student's performance in the after-school training institutions as one of admission criteria.

On August 6, 2018, the General Office of the State Council issued the Opinion on the Regulation of the Development of After-school Training Institutions (《國務院辦公廳關於規範校外培訓機構發展的意見》), or State Council Circular 80, which primarily regulates the after-school training institutions targeting students in elementary and middle schools. State Council Circular 80 reiterates prior guidance that after-school training institutions must obtain a private school operating permit, and further requires such institutions to meet certain minimum requirements. For example, after-school training institutions are required to (i) have a training premise that satisfies specific safety criteria, with an average area per student of no less than three square meters during the applicable training period; (ii) comply with relevant requirements relating to fire safety, environmental protection, hygiene, food operation and others; (iii) purchase personal safety insurance for their students to reduce safety risks; and (iv) avoid hiring any teachers who are working concurrently in primary or secondary schools, and ensure that teachers tutoring in academic subjects (such as Chinese, mathematics, English, physics, chemistry and biology) have the corresponding teacher qualification licenses. Teachers in primary and secondary schools cannot force or compel students to participate in tutoring provided by after-school training institutions, which is consistent with the principle of the PRC Compulsory Education Law that primary and secondary schools cannot promote or disguise products or services to students for their profit. In addition, after-school training institutions are prohibited from carrying out exam-oriented training, training that goes beyond the school syllabus, training in advance of the corresponding school schedule or any training activities associated with student admission, and they are not allowed to organize any level test, rank examination or competition on academic subjects for primary and secondary students. The training content of after-school training institutions cannot exceed the corresponding national curricular standards and training progress shall not be more accelerated than the corresponding progress of local schools. According to State Council Circular 80, after-school training institutions are also required to disclose and file relevant information regarding the institution, including their training content, schedule, targeted students and school timetable to the relevant education authority, and their training classes may not end later than 8:30 p.m. each day or otherwise conflict with the teaching time of local primary and secondary schools. Course fees can only be collected for courses in three months or shorter installments. Moreover, State Council Circular 80 requests that competent local authorities formulate relevant local standards for after-school training institutions within their administrative area. If an overseas listed after-school training institution publicizes overseas any periodical report, or any interim report on material adverse effect on its operation, it must concurrently publish the information in Chinese on its official website (or on the disclosure platform for securities exchange information in the absence of an official website). With respect to online education service providers, State Council Circular 80 provides a principle that regulatory authorities of networking, culture, information technology, radio and television

industries should cooperate with regulatory authorities of education in supervising online education in their relevant industry. On May 6, 2020, the General Office of the MOE promulgated the Notice on the Negative List of Advanced Trainings for Six Compulsory Education Subjects (for Trial Implementation) (《教育部辦公廳關於印發義務教育六科超標超前培訓負面清單(試行)的通知》), which, in accordance with the State Council Circular 80, prohibits after-school training institutions from providing advanced trainings that do not follow the formal school curricula to the students in primary school and secondary school, and further defines activities that will be regarded as advanced training in the subjects of Chinese, mathematics, English, physics, chemistry and biology.

On November 20, 2018, the General Office of the MOE, the General Office of the SAMR and the General Office of the Ministry of Emergency Management jointly issued the Notice on Improving the Specific Governance and Rectification Mechanisms of After-school Education Institutions (《教育部辦公廳、國家市場監管總局辦公廳、應急管理部辦公廳關於健全校外培訓機構專項治理整改若干工作機制的通知》), which provides that provincial regulatory authorities of education should be responsible for being filed with the training institutions that use Internet technology to provide online training and target primary and secondary school students. Provincial regulatory authorities of education should supervise the online after-school training institutions based on the policies regulating the offline after-school training institutions. In addition, online after-school training institutions are required to file the information of their courses, such as names, contents, target students, syllabi and schedules with the relevant provincial regulatory authorities of education and publish the name, photo, class schedule and certificate number of the teacher qualification license of each teacher on their websites.

On December 25, 2018, the General Office of the MOE issued the Notice on Strictly Forbidding Harmful APPs in Primary and Secondary Schools (《教育部辦公廳關於嚴禁有害APP進入中小學校園的通知》), which stipulates, among other things, that (i) local primary schools, secondary schools and education departments, should conduct comprehensive investigations on APPs in their campus, and should call off using any APPs containing harmful contents (such as commercial advertisements and Internet games) or increasing the burden to the students, and (ii) a filing and reviewing system of learning APPs should be established.

On August 10, 2019, the MOE, jointly with certain other PRC government authorities, issued the Opinions on Guiding and Regulating the Orderly and Healthy Development of Educational Mobile APPs (《教育部等八部門關於引導規範教育移動互聯網應用有序健康發展的意見》), or the Opinions on Educational APPs, which requires, among others, mobile APPs that provide services for school teaching and management, student learning and student life, or home-school interactions, with school faculties, students or parents as the main users and with education or learning as the main application scenarios, are educational APPs, which should be filed with competent provincial regulatory authorities for education by the end of 2019. The Opinions on Educational APPs also requires, among others, that (i) each provider of educational APPs should obtain the ICP License or complete the ICP filing and obtain the certificate and the grade evaluation report for graded protection of cybersecurity before the completion of filing; (ii) the educational APPs with main users under the age of 18 should limit

the use time of its APP, specify the range of suitable ages, and strictly monitor the content in its APP; (iii) if any educational APP will be introduced as a mandatory APP to students in any school, such educational APP should be approved by the applicable school through its collective decision-making process and be filed with the competent regulatory authorities for education; and (iv) the educational APPs selected by regulatory authorities for education and schools as the teaching or management tools are not allowed to charge any fees to students or parents or offer any commercial advertisements or games. On November 11, 2019, the MOE issued the Administrative Measures on Filing of Educational Mobile APPs (《教育移動互聯網應用程序備案管理辦法》), which requires, among others, that filings of existing educational APPs should be completed prior to January 31, 2020.

On June 10, 2020, the General Office of MOE and the General Office of SAMR promulgated the Notice on Issuing the Form of Service Contract for After-school Training Provided to Primary and Secondary School Students (《教育部辦公廳、市場監管總局辦公廳關於印發〈中小學生校外培訓服務合同(示範文本)〉的通知》), which was recently amended on September 27, 2021 for implementing the Opinions on Further Easing the Burden of Excessive Homework and After-school Tutoring for Students Undergoing Compulsory Education (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) and regulating the service of after-school training institutions, requires the local competent regulatory authorities to guide the relevant parties to use the form of service contract for after-school training activities provided to primary and secondary school students. The form of service contract covers the obligations and rights of parties involved in the after-school training, including but not limited to detailed provisions on training fees, training time, personal information protection, refund arrangement and default liabilities.

The MOE and certain other PRC government authorities jointly promulgated the Implementation Opinions on Regulating Online After-school Training (《教育部等六部門關於規範校外線上培訓的實施意見》), or the Online After-school Training Opinions, as effective on July 12, 2019. The Online After-school Training Opinions is to regulate academic after-school training involving Internet technology provided to students in primary and secondary schools. The Online After-School Training Opinions requires, among others, that online after-school training institutions should file with the competent provincial regulatory authorities of education prior to October 31, 2019 and such regulatory authorities of education, jointly with other provincial government authorities, should review the filings and qualifications of the online after-school training institutions.

With respect to the filing requirements, the Online After-school Training Opinions provides, among others, that (i) an online after-school training institution should file with the competent provincial regulatory authorities of education after it obtains the ICP License and the grade evaluation report for the graded protection of cybersecurity, and such filing should be completed prior to October 31, 2019 if such online after-school training institution has already conducted online after-school training; (ii) the materials need to be filed by the online after-school training institutions include, among others, the materials related to the institution (such as the information on their ICP Licenses and other relevant licenses), the management systems used for protection of personal information and cybersecurity, the training content and

the training personnel; and (iii) the competent provincial regulatory authorities of education should promulgate local implementing rules on filing requirements, which should focus on training institutions, training content and training personnel.

The Online After-school Training Opinions further provides that the competent provincial regulatory authorities of education should, jointly with other provincial government authorities, review the filings and qualifications of the online after-school training institutions by the end of December 2019, focusing on the following matters: (i) the training content should not include online games or other content or links irrelevant with the training itself, and should not be beyond the scope of relevant national school syllabus. No illegal publications may be published, printed, reproduced or distributed, and no infringement or piracy activities may be conducted during the training. The training content and data should be stored for more than one year, among which the live streaming teaching videos should be stored for more than six months; (ii) each course should not be longer than 40 minutes and should be taken at intervals of not less than 10 minutes, and the training time should not conflict with the teaching time of primary and secondary schools. Each live streaming course provided to students receiving compulsory education should not end later than 9:00 p.m., and no homework should be left for primary school students in Grade 1 and Grade 2. The online after-school training platforms should have eye protection and parental supervision functions; (iii) the online after-school training institutions should not hire any teachers who are currently working at primary or secondary schools. Training personnel of academic subjects are required to obtain necessary teacher qualification licenses. The online after-school training institutions' platforms and course interfaces should present the names, photos and teacher qualification licenses of training personnel, and the learning, working and teaching experiences of foreign training personnel; (iv) with the consent of students and their parents, the online after-school training institutions should verify the identification information of each student, and should not illegally sell or provide such information to third parties. User behavior log must be kept for more than one year; (v) the charge items and standard and refund policy should be specifically presented on the training platforms. The prepaid fees can only be used for education and training purposes and cannot be used for other investment activities. If the prepaid fees are charged based on the number of classes, the prepaid fees are not allowed to be collected in a lump sum for more than 60 classes. If the prepaid fees are charged based on the length of the learning period, the prepaid fees are not allowed to be collected for a learning period of more than three months; and (vi) the online after-school training institutions with incompliance or issues identified by the competent provincial regulatory authorities of education must complete the rectification by the end of June 2020, and would be subject to fines, administrative order to suspend operations or other administrative sanctions if they fail to complete the rectification in time.

On April 21, 2020, the Ministry of Human Resources and Social Welfare and other government authorities jointly promulgated the Notice of Implementing the Phased Measures of "Taking Certificate after Starting Career" for Certain Occupations under COVID-19 (《人力資源社會保障部、教育部、司法部等關於應對新冠肺炎疫情影響實施部分職業資格"先上崗、再考證"階段性措施的通知》), pursuant to which all college graduates who are eligible for the teacher qualification examination and meet the requirements of teacher qualification

regarding ideological and political criteria, language skills and physical conditions are allowed to start to teach before obtaining the teacher qualification licenses. The teacher qualification licenses will not be a mandatory precondition for college graduates if they are hired prior to December 31, 2020.

On March 30, 2021, the General Office of MOE promulgated the Notice of further strengthening the sleep management of primary and middle school students (《教育部辦公廳關於進一步加強中小學生睡眠管理工作的通知》), pursuant to which all the live online training activities on the online after-school training platforms shall end before 9 p.m..

Laws and regulations relating to advertisements for education and training

Pursuant to the Advertising Law of the PRC (《中華人民共和國廣告法》), promulgated by the SCNPC on October 27, 1994 and recently amended on April 29, 2021, An advertisement for education or training shall not contain any of the following items: (i) any promise relating to progression, passing examinations, or obtaining a degree or qualification certificate, or any express or implied guaranteed promise relating to education or training results; (ii) express or implied statement that the relevant examination agency or its personnel or any examination test designer will be involved in the education or training; and (iii) use of the names or images of research institutes, academic institutions, educational institutions, industry associations, professionals or beneficiaries for recommendation or as proof. With regard to the violation of the above provisions, the market regulation departments may order the cessation of the publishing of advertisements, order the advertisers concerned to eliminate the bad impact within the corresponding scope, and impose a fine equivalent to the amount to three times the amount of the advertising fees; where the advertising fees cannot be calculated or are significantly low, a fine of not less than RMB100,000 and not more than RMB200,000 shall be imposed; where the circumstance is serious, a fine of not less than three times and not more than five times the advertising fees shall be imposed; in case that the advertising fees cannot be calculated or are significantly low, a fine of not less than RMB200,000 and not more than RMB1 million shall be imposed; and the business licenses may be revoked, and the advertisement review authorities shall revoke the approval documents for advertisement review and shall not accept the relevant party's application for advertisement review for one year.

Recent changes to PRC education regulatory regime

On July 24, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of State Council issued the Opinions on Further Easing the Burden of Excessive Homework and After-school Tutoring for Students Undergoing Compulsory Education (the "Opinions") (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》). The Opinions aim to further regulate after-school tutoring activities (including both online and offline tutoring) and effectively ease the burden of excessive homework and after-school tutoring for students at compulsory education stage. The Opinions provides a number of restrictive measures regulating the institutions engaging in online and offline tutoring business. Among others, the Opinions emphasize that curriculum subject-focused tutoring institutions shall be subject to strict examinations and shall be prohibited from

going public for financing or conducting any capitalized operations. Listed companies shall not provide finance for or invest in any curriculum subject-focused tutoring institutions through stock market or purchase any asset from such institutions by issuing shares, paying cashes or other means. Foreign investors shall be prohibited from holding any shares of or investing in such institutions through merge and acquisition, commissioned operations, franchise, variable interest entities, or other means.

Laws and regulations relating to intellectual property rights

The PRC government has adopted comprehensive governing laws for intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright. Copyright in China, including copyrighted software, is principally protected under the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, which was most recently amended on November 11, 2020 and the latest amendment became effective on June 1, 2021, and its implementation rules (《中華人民共和國著作權法實施條例》) and Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991 with the latest amendment on January 30, 2013 and became effective on March 1, 2013. Under the Regulations on the Protection of Computer Software, the term of protection for copyrighted software is 50 years. As of the Latest Practicable Date, we had 96 software copyrights.

Patent. The Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984, which was most recently amended on October 17, 2020 and the latest amendment became effective on June 1, 2021, provides for patentable inventions, utility models and designs, which must meet three conditions: novelty, inventiveness and practical applicability. The National Intellectual Property Administration is responsible for examining and approving patent applications. The duration of a patent right is either 10 years or 20 years from the date of application, depending on the type of patent right. As of the Latest Practicable Date, we had obtained 212 patents in China.

Trademark. The Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982, with the latest amendment became effective on November 1, 2019, and its implementation rules(《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 with the latest amendment became effective on May 1, 2014, protect registered trademarks. The PRC Trademark Office of the National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout China. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where registration application for a trademark that is identical or similar to another trademark which has already registered or given preliminary examination, the application for such trademark may be rejected. Trademark registration is effective for a renewable ten-year period, unless otherwise revoked. As of the Latest Practicable Date, we had 215 registered trademarks in different applicable trademark categories and had 196 trademark applications in China.

Domain Name. Domain names are protected under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) which was promulgated on August 24, 2017 and became effective on November 1, 2017 by the MIIT. The MIIT is the major regulatory body responsible for the administration of the PRC Internet domain names, under supervision of which the China Internet Network Information Center is responsible for the daily administration of .cn domain names and Chinese domain names. Our domain name registration is handled through domain name service agencies; established under the relevant regulations, and we become domain name holders upon successful registration. As of the Latest Practicable Date, we have 15 domain names.

Laws and regulations relating to environmental protection

Regulations relating to environmental protection

The Environmental Protection Law of the PRC(《中華人民共和國環境保護法》), or the Environmental Protection Law, was promulgated and effective on December 26, 1989 by the SCNPC, and recently amended on April 24, 2014. According to the provisions of the Environmental Protection Law, installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the project.

Permission to commence production at or utilize any construction project shall not be granted until its installations for the prevention and control of pollution have been examined and confirmed to meet applicable standards by the appropriate administrative department of environmental protection that examined and approved the environmental impact statement. Installations for the prevention and control of pollution shall not be dismantled or left idle without authorization. Where it is absolutely necessary to dismantle any such installation or leave it idle, prior approval shall be obtained from the competent local administrative department of environmental protection.

The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or closedown, or even criminal punishment.

According to the Law of the PRC on the Prevention and Control of Environmental Pollution caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) which was promulgated by the SCNPC on October 30, 1995 and recently amended on April 29, 2020, entities that generate industrial solid wastes shall establish a sound responsibility system for the prevention and control of environmental pollution in the whole process of generation, collection, storage, transportation, utilization and disposal of industrial solid wastes, establish administrative ledgers for industrial solid wastes and record the types, quantities, flow directions, storage, utilization, disposal and other information of the generated industrial solid wastes truthfully, so as to achieve the traceability and querying of industrial solid waste, and

take measures for the prevention and control of environmental pollution caused by industrial solid wastes. If an entity that generates industrial solid wastes entrusts other parties to transport, utilize or dispose of industrial solid waste, it shall verify the qualifications and technical capability of the entrusted party and enter into a written contract in accordance with the law and the pollution prevention and control requirements shall be stipulated in the contract. Entities that generate industrial solid wastes shall obtain a pollutant discharge permit. Producers and business operators shall observe the compulsory standards for restricting excessive packaging of products to avoid excessive packaging.

Pursuant to the Administrative Measures for Pollutant Discharge Permitting (Trial) (《排污許可管理辦法(試行)》), which was promulgated by the former Ministry of Environmental Protection and became effective on January 10, 2018 and amended on August 22, 2019, the Ministry of Environmental Protection shall develop and issue according to law a classification administration list of pollutant discharge permit for fixed pollution sources. The enterprises, public institutions and other business operators on the list shall apply for and obtain a pollutant discharge permit according to the prescribed application time limit. Pursuant to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), which was promulgated by the Ministry of Ecology and Environment on December 20, 2019, the pollutant discharge management is classified into three degrees, the key focused management, the simplified management, and the registration management. Business operators which product and discharge very small amounts of pollutants and have little impact on the environment are subjected to registration administration; such business operators do not need to apply for a pollutant discharge permit, but only need to register and file on a designated platform.

According to the Law of the PRC on Prevention and Control of Environmental Noise Pollution (《中華人民共和國環境噪聲污染防治法》) promulgated by the SCNPC on October 29, 1996 and last amended on December 29, 2018, where a construction project might cause environmental noise pollution, the entity undertaking the project must prepare an environment impact report which includes the measures to be taken to prevent and control such pollution, and submit it, following the procedures prescribed by the state, to the competent department for ecology and environment for approval. Facilities for prevention and control of environmental noise pollution must be designed, built and put into use simultaneously with the subject of a construction project. Before a construction project is put into production or use, its facilities for prevention and control of environmental noise must be inspected according to the standards and procedures stipulated by the state.

Regulations relating to environment impact assessment

Pursuant to the Environment Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was issued on October 28, 2002 by the SCNPC and recently amended on December 29, 2018, the State implements a classification-based management on the environmental impact assessment ("**EIA**") of construction projects according to the impact of the construction projects on the environment. Construction units shall prepare Environmental Impact Report ("**EIR**") or Environmental Impact Statement ("**EIS**") or fill out the

Environmental Impact Registration Form ("**EIRF**") (hereinafter collectively referred to as the "**EIA documents**") according to the following rules: (i) For projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) For projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of their environmental impacts; and (iii) For projects with very small environmental impacts so that an EIA is not required, an EIRF shall be filled out.

The EIR or EIS of a construction project shall be submitted by the construction unit in accordance with the regulations of the State Council to the administrative department for Ecology and Environment with powers to approve the project for review and approval. The State shall implement a record-filing-based management on EIRF.

Regulations relating to environmental protection of construction projects

According to the Administrative Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and recently amended on July 16, 2017, after the construction of a construction project for which an EIR or EIS is prepared is completed, the construction unit shall make an acceptance check of the matching environmental protection facilities and prepare an acceptance report according to the standards and procedures stipulated by the competent administrative department of environmental protection under the State Council.

A construction unit shall be punished in accordance with the Environment Impact Assessment Law of the PRC if it: (i) starts construction without authorization before submitting the EIR or EIS of the construction project for approval or reexamination in accordance with the law; (ii) starts construction without authorization before the EIRF of the construction projects is approved or approved after reexamination; or (iii) fails to file the EIRF of the construction project for record in accordance with the law.

Regulations relating to prevention and control of water pollution

The Law on Prevention and Control of Water Pollution of the PRC, or the Water Pollution Prevention and Control Law (《中華人民共和國水污染防治法》) promulgated by the SCNPC on May 11, 1984 and recently amended on June 27, 2017. According to the provisions of the Water Pollution Prevention and Control Law and other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts at or above county level shall take charge of the administration and supervision on the matters of prevention and control of water pollution.

According to the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated by the State Council on October 2, 2013 and came into effect on January 1, 2014, any enterprise, institution or individually-owned business that engages in the activities of industry, construction, catering, and medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban

drainage department for collecting the permit for discharging sewage into drainage pipelines. A sewerage user shall discharge sewage according to the requirements of its permit for discharging sewage into drainage pipelines. According to the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on January 22, 2015 and came into effect on March 1, 2015, where there are multiple sewerage users in a centralized management building or unit, the property right unit or its entrusted real estate service enterprise may apply for a drainage permit uniformly, and the license-receiving unit shall be responsible for the drainage behavior of the sewerage users.

Laws and regulations relating to employment.

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC and most recently amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007 and most recently amended on December 28, 2012, and the Regulation on the Implementation of the Labor 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 implemented by the State Council on September 18, 2008, employers must execute written labor contracts with full-time employees. If an employer fails to enter into a written employment contract with an employee more than one month but less than one year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period from the day following the lapse of one month from the date of establishment of the employment relationship to the day prior to the execution of the written employment contract. If an Employer fails to enter into a written employment contract with an employee within one year from the date the employee commences work, they shall be deemed to have entered into a non-fixed-term labor contract. All employers must comply with local minimum wage standards. Violation of the Labor Law of the PRC and the Labor Contract Law of the PRC may result in the imposition of fines and other administrative and criminal liability in the case of serious violation.

Pursuant to the Interim Provisions on Labor Dispatch (《劳務派遣暫行規定》), which were implemented by the Ministry of Human Resources and Social Security of the PRC on March 1, 2014, employers may employ dispatched workers in temporary, auxiliary or substitutable positions only which shall not exceed 10% of the total number of its workers. If the employer violates the relevant labor dispatch regulations, according to the Labor Contract Law, the labor administrative department shall order it to make corrections within a time limit; if it fails to make corrections within the time limit, penalty shall be imposed on the basis of more than RMB5,000 and less than RMB10,000 per person.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to such plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the

employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to Opinions of the General Office of the State Council on Comprehensively Promoting the Combined Implementation of Maternity Insurance and Employees' Basic Medical Insurance (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》), which came into effect on March 6, 2019, maternity insurance fund shall be incorporated in employees' basic medical insurance fund for unification of collection and payment and consistency of coordination levels. The aggregate ratio of payments by employers for participation in maternity insurance and employees' basic medical insurance shall be taken as basis to determine the rate of employees' basic insurance premium payable by employers and no individuals shall pay maternity insurance premium. All provinces (autonomous regions and municipalities directly under the Central Government) shall strengthen work deployment, and urge and guide each coordination region to accelerate implementation and to realize the combined implementation of two insurances by the end of 2019. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), promulgated by the SCNPC on October 28, 2010 and most recently amended on December 29, 2018, and Interim Regulations on Levying Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% per day. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue and/or subject to a late fee of 0.2% per day. According to the Regulations on Management of Housing Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999 and most recently amended on March 24, 2019, an enterprise that fails to make housing fund contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement. We did not pay, or were not able to pay, certain past social security and housing fund contributions in strict compliance with the relevant PRC regulations for and on behalf of our employees due to differences in local regulations and inconsistent implementation or interpretation by local authorities in the PRC and varying levels of acceptance of the housing fund system by our employees. Although we have recorded accruals for estimated underpaid amounts in our financial statements, we may be subject to fines and penalties for our failure to make payments in accordance with the applicable PRC laws and regulations. We may be required to make up the contributions for these plans as well as to pay late fees and fines. We have not made any accruals for the interest on underpayments and penalties that may be imposed by the relevant PRC government authorities in the financial statements.

Laws and regulations relating to foreign exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and with the latest amendment on August 5, 2008. Payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can usually be made in foreign currencies

without prior approval from SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans.

On March 30, 2015, SAFE issued the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or SAFE Circular 19, with the latest amendment on December 30, 2019. Pursuant to SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises is subject to the discretional foreign exchange settlement, which means the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) may be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is temporarily 100%. SAFE can adjust such proportion in due time based on the circumstances of international balance of payments.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of 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》), effective on June 9, 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises.

On January 26, 2017, SAFE issued the Notice of State Administration of Foreign Exchange on Improving the Review of Authenticity and Compliance to Further Promoting the Reform of Foreign Exchange Administration (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), or SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

On October 23, 2019, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Facilitating 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》), which, among other things, expanded the use of foreign exchange capital to domestic equity investment area.

Regulations relating to PRC mergers & acquisitions and public listing on an overseas stock exchange

Pursuant to Provisions on the 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》), or the M&A Rules, which was promulgated by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the SAIC, the CSRC and the SAFE on August 8, 2006, and most recently amended by the MOFCOM on June 22, 2009, which provided that the scenarios qualify as an acquisition of a domestic enterprise by a foreign investor. On December 30, 2019, MOFCOM and the SAMR issued the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which took effect on January 1, 2020. According to the Measures for Reporting of Information on Foreign Investment, to acquire the equity of a non-foreign-invested enterprise within the territory of China, a foreign investor shall submit the initial report through the enterprise registration system when it applies for the registration of changes to the acquired enterprise. See "Risk Factors – Risks Relating to Our Business and Industry – We are subject to a wide variety of regulations and are required to obtain and maintain various licenses and permits, any failure of which may have a material adverse effect on us." Further, the M&A Rules requires an offshore special purpose vehicle that is directly or indirectly controlled by PRC companies or individuals for the purpose of the domestic companies actually owned by such PRC companies or individuals (through acquisitions of the equity held by such domestic Companies' shareholders or the equity newly issued by such domestic companies by those means provided in the M&A Rules) seeking a public listing on an overseas stock exchange to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. Currently, there remains uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering.

Regulations relating to dividend distribution

According to the FIL, foreign investment enterprises in China may pay dividends freely in RMB or any other foreign currency according to law. In addition, according to the PRC Company Law, foreign investment enterprises, same as domestic enterprises, are required to set aside at least 10% of their after-tax profits (if any) each year to the company's statutory reserves, until the accumulative amount of such fund reaches 50% of its registered capital. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation. Further, the foreign investment enterprises may allocate a portion of their after-tax profits based on PRC accounting standards as discretionary reserve funds. These reserve funds are not distributable as cash dividends.

Regulations relating to offshore financing

SAFE promulgated the Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment 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》), or the SAFE Circular 37 on July 4, 2014, which replaced the former circular commonly known as "SAFE Circular 75." SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. All of our shareholders that we are aware of being subject to the SAFE regulations have completed all necessary initial registrations with the local SAFE branch or qualified banks as required by SAFE Circular 37.

Regulations relating to employee stock incentive plan of overseas public-listed company

Pursuant to Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company (《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》), issued by SAFE on February 15, 2012, individuals participating in any stock incentive plan of any overseas publicly listed company who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our executive officers and other employees who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year with the exception of diplomatic agents of foreign countries in China and the representatives of any international organization in China and have been granted options are subject to these regulations as our company became an overseas [**REDACTED**] company upon the completion of our [**REDACTED**]. Failure by such individuals to complete their SAFE registrations may subject them to fines and other legal sanctions.

The STA has issued certain circulars concerning employee share options or restricted shares, such as Circular of the Ministry of Finance and the State Administration of Taxation on Issues Concerning the Imposition of Individual Income Tax on Incomes from Individual Stock Option (《財政部、國家税務總局關於個人股票期權所得徵收個人所得税問題的通知》), which was most recently amended on January 17, 2020. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Laws and regulations relating to tax

Dividend withholding tax

Pursuant to Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得税法》), or the EIT Law, promulgated by the NPC on March 16, 2007 with the latest amendment on December 29, 2018, and its implementation rules (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007 with the latest amendment on April 23, 2019, if a nonresident enterprise has not set up an organization or establishment in China, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《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 came into effect on December 8, 2006 and with the latest amendment on December 6, 2019, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Circular of the State Administration of Taxation on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《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》), or STA Circular 81, which came into effect on February 20, 2009, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. Furthermore, the Administrative Measures for Convention Treatment for Nonresident Taxpayers (《非居民納税人享受協定待遇管理辦法》), which became effective on January 1, 2020, require that nonresident 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 nonresident 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. Accordingly, Readboy Education HK may be able to enjoy the 5% withholding tax rate for the dividends they receive from Readboy Technology Zhongshan if they satisfy the conditions prescribed under STA Circular 81 and other relevant tax rules and regulations. However, according to STA Circular 81, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

Enterprise income tax

The principal regulations governing enterprise income tax in China are the EIT Law, and its implementing rules. Under the EIT Law, enterprises are classified as resident enterprises and nonresident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25%. Uncertainties exist with respect to how the EIT Law applies to the tax residence status of our Company and our offshore subsidiaries.

Under the EIT Law, an enterprise established outside China with its "de facto management bodies" located within China is considered a "resident enterprise," meaning that it is treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define de facto management body as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

The STA issued Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the Actual Standards of Organizational Management (《國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or STA Circular 82 on April 22, 2009, with the latest amendment on December 29, 2017. According to STA Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met: (a) the primary location of the day-to-day operational senior management and senior management department's performance of their duties is in China; (b) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (c) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (d) 50% or more of voting board members or senior executives habitually reside in China. In addition, the STA issued the Bulletin of the STA on Printing and Distributing the Administrative Measures for Income Tax on Chinese-controlled Resident Enterprises Incorporated Overseas (Trial Implementation) (《國家税務總局關於印發<境外註冊中資控股居民企業所得税管理辦法(試行)>的公告》) in July 27, 2011, which was most recently amended on June 15, 2018 by the STA, providing more guidance on the implementation of STA Circular 82. This bulletin clarifies matters including resident status determination, post determination administration and competent tax authorities. In January 2014, the STA issued

the Bulletin of the STA on Issues concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions, or STA Bulletin 9. According to STA Bulletin 9, a Chinese-controlled offshore incorporated enterprise that satisfies the conditions prescribed under the STA Circular 82 for being recognized as a PRC tax resident must apply for being recognized as a PRC tax resident to the competent tax authority at the place of registration of its main investor within the territory of China.

We do not believe that we meet all of the conditions outlined in the immediately preceding paragraph. We believe that our Company and our offshore subsidiaries should not be treated as a "resident enterprise" for PRC tax purposes if the criteria for "de facto management body" as set forth in STA Circular 82 were deemed applicable to us. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to our offshore entities, we may be treated as a resident enterprise for PRC tax purposes under the EIT Law, and we may therefore be subject to PRC income tax on our global income. We are actively monitoring the possibility of "resident enterprise" treatment for the applicable tax years and are evaluating appropriate organizational changes to avoid this treatment, to the extent possible.

In the event that our Company or any of our offshore subsidiaries is considered to be a PRC resident enterprise: our Company or our offshore subsidiaries, as the case may be, may be subject to the PRC enterprise income tax at the rate of 25% on our worldwide taxable income; dividend income that our Company or our offshore subsidiaries, as the case may be, received from our PRC subsidiaries may be exempt from the PRC withholding tax; and interest paid to our overseas shareholders or ADS holders who are non-PRC resident enterprises as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of up to 10%, subject to any reduction or exemption set forth in relevant tax treaties, and similarly, dividends paid to our overseas shareholders or ADS holders who are non-PRC resident individuals, as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs, may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of 20%, subject to any reduction or exemption set forth in relevant tax treaties.

The STA issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises (《關於非居民企業間接轉讓財產企業所得税若干問題的公告》), or STA Public Notice 7, on February 3, 2015, and was most recently amended on December 29, 2017. Under STA Public Notice 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to STA Public Notice 7, "PRC taxable assets" include assets attributed to an establishment in China, immoveable properties in China, and equity investments in PRC resident enterprises. In respect

of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immoveable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a nonresident enterprise, a PRC enterprise income tax at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. According to the Announcement of the STA on Matters Concerning Withholding of Income Tax of Nonresident Enterprises at Source (《國家税務總局關於非居民企業所得税源泉扣繳有關問題的公告》), or STA Announcement 37, effective December 1, 2017 and amended in June 15, 2018 by the Announcement of the STA on Revising Certain Taxation Normative Documents (《國家税務總局關於修改部分税收規範性文件的公告》), the withholding party shall, within seven days of the day on which the withholding obligation occurs, declare and remit the withholding tax to the competent tax authority at its locality. Where the withholding party fails to withhold and remit the income tax payable or is unable to perform its obligation in this regard, the nonresident enterprise that earns the income shall, declare and pay the tax that has not been withheld to the competent tax authority at the place where the income occurs, and complete the Withholding Statement of the People's Republic of China for Enterprise Income Tax. There is uncertainty as to the implementation details of STA Public Notice 7 and STA Announcement 37. If STA Public Notice 7 or STA Announcement 37 was determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with STA Public Notice 7 and STA Announcement 37 or to establish that the relevant transactions should not be taxed under STA Public Notice 7 or STA Announcement 37.

Where the payers fail to withhold any or sufficient tax, the non-PRC residents, as the transferors, are required to declare and pay such taxes to the tax authorities on their own within the statutory time limit. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed, fines ranging from fifty percent to five times the amount of unpaid or underpaid tax and default interest on those taxes.

Pursuant to the EIT Law and its implementation rules, certain "high and new technology enterprises strongly supported by the state" that independently own core intellectual property and meet statutory criteria are permitted to enjoy a reduced 15% enterprise income tax rate. On April 14, 2008 the SAT, the Ministry of Science and Technology and the MOF jointly issued the Administrative Measures for the Certification of High and New Technology Enterprises (《高新技術企業認定管理辦法》), which was most recently amended on January 29, 2016, specifying the criteria and procedures for the qualification and certification of the High and New Technology Enterprises.

PRC value-added tax

Pursuant to the Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, with the latest amendment on November 19, 2017, and its Implementation Rules (《增值税暫行條例實施細則》) promulgated by the MOF on December 25, 1993, with the latest amendment on October 28, 2011, subject to applicable exceptions, tax payers selling goods, providing labor services of processing, repairs or maintenance, or selling services, intangible assets or real property in China, or importing goods to China shall pay value-added tax, or the VAT. A taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the revenue from services provided.

Pursuant to the Pilot Proposals for the Collection of Value-Added Tax in Lieu of Business Tax (《營業税改徵增值税試點方案》), or the Circular 110, promulgated by the MOF and the STA, starting from January 1, 2012, the PRC government has been gradually implementing a pilot program in certain provinces and municipalities, levying a 11% VAT on revenue generated from transportation services in lieu of the business tax. Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《財政部國家税務總局關於全面推開營業税改徵增值税試點的通知》) issued afterwards, or the Circular 36, issued on March 23, 2016, business tax shall be completely replaced by the VAT from May 1, 2016 and the VAT rate applicable to VAT taxpayers ranges from 6% to 17% (which has been reduced to 13% after April 1, 2019 pursuant to Circular 39). Pursuant to Circular of the Ministry of Finance and the State Administration of Taxation 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》), or the Circular 32, issued on April 4, 2018, for VAT taxable sales or importation of goods originally subject to value-added tax rates of 17% and 11%, such tax rates were adjusted to 16% and 10%, respectively. Further, pursuant to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), or the Circular 39, issued by the MOF, the STA and the General Administration of Customs on March 20, 2019, which came into force on April 1, 2019, for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9%, respectively. Under Circular 39, during the period from April 2019 to December 2021, certain qualified service industry taxpayers can enjoy an extra 10% for deduction of the tax payable, which is calculated based on the input VAT filed with the tax bureau. In addition, under Circular 39, qualifying tax payers who meet certain requirements are eligible for the newly increased unutilized input VAT refund. The refund of newly increased unutilized input VAT for the current period shall be calculated as per the following formula: refundable amount of newly increased unutilized input VAT for the current period = newly increased unutilized input VAT × the input component ratio × 60%.

Laws and regulations relating to cyber security, data security and personal information protection

Cyber security and data security

On November 7, 2016, the SCNPC issued the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) or the Cybersecurity Law, which took effect as of June 1, 2017. The Cybersecurity Law is formulated to maintain the network security, safeguard the cyberspace sovereignty, national security and public interests, and protect the lawful rights and interests of citizens, legal persons and other organizations. Pursuant to the Cybersecurity Law, a network operator, which includes, among others, Internet information services providers, must take technical measures and other necessary measures in accordance with the provisions of applicable laws and regulations as well as the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of the networks, effectively respond to the network security incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law has reaffirmed the basic principles and requirements as specified in other existing laws and regulations on personal information protections, such as the requirements on the collection, use, processing, storage and disclosure of personal information, and internet service providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged or lost. Any violation of the provisions and requirements under the Cybersecurity Law may subject the Internet service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, shutdown of websites or even criminal liabilities.

On December 28, 2021, 13 PRC regulatory agencies including the Cyberspace Administration of China (the "CAC") published the Cybersecurity Review Measures (《網絡安全審查辦法》(2021)) (the "Cybersecurity Review Measures (2021)"), which became effective on February 15, 2022 and supersede the Measures for Cybersecurity Review (《網絡安全審查辦法》) promulgated on April 13, 2020. The Cybersecurity Review Measures (2021) provides that a critical information infrastructure operator (the "CIIO") purchasing network products and services, and network platform operators carrying out data processing activities which affect or may affect national security, must apply for cybersecurity review. The Cybersecurity Review Measures (2021) also provides that a network platform operator with more than one million users' personal information aiming to list abroad must apply for cybersecurity review.

In addition, according to the Article 10 of the Cybersecurity Review Measures (2021), the cybersecurity review focuses on assessing the following national security risk factors associated with the relevant object or situation: (i) the risk of any critical information infrastructure, or the CII being illegally controlled, tampered with, or sabotaged after any product or service is used; (ii) the harm of an interruption in the supply of any product or service to the continuity of the CII business; (iii) the security, openness, transparency, diversity of sources, reliability of any supply channel of any product or service, and the risk of its supply being interrupted due to political, diplomatic, trade or other factors; (iv) the compliance of the provider of any product or service with the laws, administrative regulations, and departmental rules of China; (v) the risk of any core data, important data or a large amount of personal information being stolen, leaked, destroyed, illegally used, or illegally transferred abroad; (vi) the risk of any CII, core data, important data, or a large amount of personal information being affected, controlled, or maliciously used by foreign governments, as well as any network information security risk; and (vii) any other factor that may endanger the security of any CII, cybersecurity or data security.

With respect to the identification of CIIOs, Article 31 of the Cyber Security Law (《網絡安全法》), which came into effect on June 1, 2017, introduces the concept of "critical information infrastructure" by enumerating seven main industries and sectors including public communications and information service, energy, transport, water conservancy, finance, public service and e-government, and stipulates that the specific scope and security measures for critical information infrastructure shall be developed by the State Council. In coordination with the implementation of Article 31 of the Cyber Security Law, the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "CII Regulations"), which came into effect on September 1, 2021, regulates the procedures of identification of "critical information infrastructure," that competent authorities as well as the supervision and administrative authorities of the important industries and sectors such as public communications and information service, energy, transport, water conservancy, finance, public service, e-government and science, technology and industry for national defence (collectively, the "Protection Authorities") in the CII Regulations will establish the rules for the identification of critical information infrastructures based on the particular situations of the industry and report such rules to the public security department of the State Council for record, and they are responsible for organizing the identification of critical information infrastructures in their own industries and sectors in accordance with the identification rules, promptly notifying the operators of the identification results and reporting to the public security department of the State Council. As of the Latest Practicable Date, no relevant authority has published any detailed rules for identification of the critical information infrastructures, and to our best knowledge, we had not received any notification from the Protection Authorities about being identified as a CIIO.

On November 14, 2021, the CAC publicly solicited opinions on the Regulations on the Administration of Cyber Data Security (Draft for Comments) (網絡數據安全管理條例(徵求意見稿)) (the "Draft Data Security Regulations", together with the Cybersecurity Review Measures (2021), the "Cybersecurity Regulations"), which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. The

Draft Data Security Regulations also provides that a data processor who processes more than one million users' personal information aiming to list abroad or a data processor who seeks to complete a listing in Hong Kong which affects or may affect national security is required to apply for cybersecurity review pursuant to relevant rules and regulations. However, the Draft Cyber Data Security Regulations does not provide the standard to determine the circumstances that would be determined to "affect or may affect national security."

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), or the CII Regulations, which became effective on September 1, 2021. According to the CII Regulations, critical information infrastructure refers to any important network facilities or information systems of an important industry or field such as public communication and information service, energy, transport, water conservation, finance, public services, e-government affairs, science and technology industry for national defense and other industries and sectors that may seriously endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage.

In light of the above, on February 25, 2022, our PRC legal advisor, the PRC legal advisor to the Joint Sponsors and representatives of the Joint Sponsors conducted a phone consultation with the China Cybersecurity Review Technology and Certification Center (the "Center") which undertakes the specific work of the Cybersecurity Review Office of the CAC under the authorization of the CAC, (the "Consultation"). In the Consultation, we have disclosed our name and introduced the business of us in details. After that, the Center confirmed that: (i) according to the Cybersecurity Review Measures (2021), although we fall within the scope of "network platform operators" regulated by the Cybersecurity Review Measures (2021), however, given that Hong Kong is a part of the PRC and does not fall within the definition of "abroad" under the Cybersecurity Review Measures (2021), the [**REDACTED**] of us in Hong Kong is not subject to the cybersecurity review application requirement under Cybersecurity Review Measures (2021), and the Center will not accept the application from us even if we intend to file a written cybersecurity review application; and (ii) the Draft Data Security Regulations was released for public comment only and does not come into effect, and therefore we are not required to apply for cybersecurity review pursuant to the Draft Data Security Regulations. Based on the Consultation, we are of the view, and our PRC legal advisor concurs, that: (i) part of the Cybersecurity Regulations, such as provisions in relation to "network platform operators", are applicable to the business of our subsidiaries in the PRC, if the draft regulations were to be implemented in their current form; (ii) as of the Last Practicable Date, although we possess more than one million users' personal information, the cybersecurity review application requirement under the Cybersecurity Regulations is not applicable to the [**REDACTED**] of us in Hong Kong. However, since there has been no published formal explanation or any practical case for identification standard and procedures of the "data processor intends to be listed in Hong Kong", should the Draft Data Security Regulations be implemented in its current form in the future, there is uncertainty whether we shall apply for cybersecurity review in accordance with the Draft Data Security Regulations with respect to its [**REDACTED**] in Hong Kong in the future.

As of the date of this Document, we had not been involved in any investigation on cybersecurity review made by the CAC, neither had we received any inquiry, notice, warning, or sanction in such respect. And we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been material cybersecurity and data protection incidents or infringement upon any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of our knowledge, threatened against or relating to us, and according to the consultation to competent authority, we are not required to apply for cybersecurity review for the proposed [**REDACTED**]. If the Cybersecurity Regulations was to be implemented in its current form, based on the foregoing, our Directors and our PRC legal advisor do not foresee any material impediments for us to comply with the Cybersecurity Regulations in all material aspects, given that as disclosed in "Business – Data Privacy and Security", we have implemented a comprehensive set of internal policies, procedures, and measures to ensure our compliance practice. We will continue to closely monitor the legislative and regulatory development in connection with cybersecurity and data protection, including the Cybersecurity Regulations and the interpretation or implementation rules of laws and regulations of cybersecurity and data protection, and we will adjust and enhance the data practices in a timely manner to ensure compliance once the regulations come into effect. Specifically, we will (i) take immediate steps to ensure compliance with new regulatory requirements within a reasonable period of time, including thoroughly reviewing our business practices and operational policies, improving our privacy policies and service agreements with our users, establishing relevant mechanism in response to data security incidents, applying for cybersecurity review if applicable, filing important data with competent authorities if applicable and submitting relevant data security assessment report if required; (ii) proactively maintain communications with the CAC's local branches, and continuously improve the operational procedures; and (iii) continue to improve our data security protection technologies.

Based on the foregoing analysis, our Directors, with the advice of our PRC Legal Advisor, and the Joint Sponsors, with the advice of their PRC legal advisor, believe that we are compliant with the regulations and policies in effect issued by the CAC to date, and our Directors are of the view, and the Joint Sponsors concur, that the Cybersecurity Regulations, if implemented in its current form, would not have a material adverse impact on our business operations, financial performance or the [**REDACTED**] in Hong Kong.

Personal information protection

On May 28, 2020, the NPC adopted the Civil Code of the PRC (《中華人民共和國民法典》), which became effective on January 1, 2021. According to the Civil Code, individuals have the right of privacy. No organization or individual shall process any individual's private information or infringe an individual's right of privacy, unless otherwise prescribed by law or with the consent of such individual or such individual's guardian. In addition, personal information is protected by the PRC laws. Any processing of personal information shall be subject to the principles of legitimacy, legality and necessity. An information processor must not divulge or falsify the personal information collected and stored by it, or provide the personal information of an individual to others without the consent of such individual.

According to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》) issued by the SCNPC on December 28, 2012 and 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》) issued by the MIIT on July 16, 2013, any collection and use of a user's personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods, and scopes. An Internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering, or destroying any such information, or selling or providing such information to other parties. An Internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage, or loss.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. The Personal Information Protection Law sets forth detail rules on personal information protection requirements, including but not limited to more specific inform and consent requirements in various contexts, enhanced individual' rights, more protective obligations on personal data processors, and enhanced liability of violation of Personal Information Protection Law and privacy litigation. According to the Personal Information Protection Law, personal information refers to any kind of information related to an identified or identifiable natural person as electronically or otherwise recorded, excluding information that has been anonymized. Processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, and deletion of personal information. Processing of personal information shall be for a specified and reasonable purpose, and shall be conducted for a purpose directly relevant to the purpose of processing and in a way that has the least impact on personal rights and interests. Collection of personal information shall be limited to the minimum scope necessary for achieving the purpose of processing and shall not be excessive. A personal information processor may process personal information of an individual after acquiring the individual's consent which shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis and shall provide an easy way to withdraw consent. The processor could also process personal information without the individual's consent in the other circumstances prescribed under the Personal Information Protection Law.

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security, or 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 March 12, 2021, the CAC, the MIIT, the MPS and the SAMR jointly issued the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (《常見類型移動互聯網應用程序必要個人信息範圍規定》) or the Necessary Personal Information Rules, which came into effect on May 1, 2021. According to the Necessary Personal Information Rules, mobile app operators shall not deny users' access to its basic functions and services on the basis that such user disagrees with the provision of their personal information that is not necessary. The Necessary Personal Information Rules further provides relevant scopes of necessary personal information for different types of mobile apps.

On November 28, 2019, the CAC, the MIIT, the MPS and the 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, but not limited to (i) not publishing rules on the collection and usage of personal information; (ii) not providing privacy rules, and (iii) collecting and using users' personal information without consent.

Laws and regulations relating to overseas listing

On December 24, 2021, the CSRC 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)》) (the "**Draft Overseas Listing Administration Provisions**") and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Draft Overseas Listing Filing Measures,**" together with the Draft Overseas Listing Administration Provisions, the "**Draft Regulations on Listing**"), which are open for public comments until January 23, 2022.

The Draft Overseas Listing Administration Provisions, if adopted in its current form, will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities, and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. According to the draft regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information.

Overseas offerings and listings that are prohibited by specific laws and regulations, constitute threat to or endanger national security, involve material ownership disputes, the PRC domestic companies, their controlling shareholder or actual controller involving in certain criminal offence, or directors, supervisors and senior management of the issuer involving in certain criminal offence or administrative penalties, among other circumstances, are explicitly forbidden. As implementation rules, the Draft Overseas Listing Filing Measures specifies the filing requirement and procedures. The Draft Overseas Listing Filing Measures provides that if the issuer meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) any of the revenue, net profit, total assets or net assets of the domestic companies accounted for more than 50% of the respective audited revenue, net profit, total assets or net assets of the issuer within the latest fiscal year; (ii) a majority of the officers responsible for management of the issuer are PRC citizens or have their usual place of residence located in mainland China, the issuer's main place of operation is within mainland China. It is unclear based on the Draft Overseas Listing Filing Measures whether either or both of the above criteria need to be satisfied. Where an issuer makes an application for initial public offering to competent overseas regulators, the issuer must submit to the CSRC filing documents within three working days after such application is submitted. The Draft Overseas Listing Filing Measures also requires subsequent report to the CSRC on material events, such as material change in principal business and change of control.

At the press conference held for these draft regulations, officials from the CSRC clarified that implementation of the Draft Regulations on Listing will follow the non-retroactive principle, which means only the initial public offerings by PRC domestic companies and financing by existing overseas listed PRC domestic companies to be conducted after the foregoing regulations become effective will be required to complete the filing process. In addition, the new regulations and rules will grant a proper transition period for existing overseas-listed companies that do not have subsequent financing activities to comply with the filing requirement.

If the Draft Regulations on Listing become effective in their current form before the [**REDACTED**] is completed, our PRC legal advisor is of the view that we may be required to complete the filing procedures with the CSRC in connection with the [**REDACTED**]. However, as of the Latest Practicable Date, the Draft Regulations on Listing were released for public comments only and the final version and effective date of such regulations are subject to change with substantial uncertainty. Therefore, as advised by the PRC legal advisor, this [**REDACTED**] contemplated in this document is currently not subject to any filing procedures with, or approval from, the CSRC. In addition, as of the Latest Practicable Date, we have not received any inquiry, notice, warning, or sanctions regarding this [**REDACTED**] or any other PRC government authorities with respect to the filing requirement under the new regulatory regime.

As of the Latest Practicable Date, we had not received any inquiry, notice, warning, or sanctions regarding this [**REDACTED**] or our corporate structure from CSRC or any other PRC government authorities with respect to the filing requirement under the new regulatory regime. To our best knowledge, none of the circumstances that would prohibit PRC domestic

companies from conducting overseas listing and offering under the Draft Regulations on Listing exists for us. Our PRC legal advisor has also conducted public searches against our PRC-incorporated subsidiaries, our controlling shareholders and actual controllers, as well as our Directors and senior management, and did not find any of them having been involved in relevant criminal offences or administrative penalties that would prohibit us from conducting overseas listing or listing under the Draft Regulations on Listing. Based on the foregoing and our PRC Legal Advisor's due inquiry, our PRC Legal Advisor does not find that we fall within any of the circumstances which would prohibit PRC domestic companies from conducting overseas listing and offering as provided under the Draft Regulations on Listing. Therefore, if the Draft Regulations on Listing become effective in their current form before the [**REDACTED**] is completed, other than uncertainties of the filing procedures which may be further clarified in the final version of the Draft Regulations on Listing and/or their implementation rules, we do not foresee any impediment for us to comply with the Draft Regulations on Listing in any material respect.

Based on the foregoing analysis, our Directors, with the advice of our PRC Legal Advisor, and the Joint Sponsors, with the advice of their PRC legal advisor, believe that we are compliant with the regulations and policies in effect issued by the CSRC to date, and our Directors are of the view, and the Joint Sponsors concur, that the Draft Regulations on Listing, if implemented in its current form, would not have a material adverse impact on our business operations, financial performance or the [**REDACTED**] in Hong Kong.