REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATION SERVICES

Regulations Relating to Value-added Telecommunications Services

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**") promulgated by the State Council on September 25, 2000, as most recently amended on February 6, 2016, which provide a regulatory framework for telecommunications services providers in the PRC, telecommunications services are categorized into infrastructure telecommunications services and value-added telecommunications services and the telecommunications services providers are required to obtain operating licenses prior to the commencement of their operations. Pursuant to the Classification Catalog of Telecommunications Business (2015 version) (《電信業務分類目錄(2015年版)》), which was amended on June 6, 2019, Internet information services and call center are classified as value-added telecommunications services.

The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》) promulgated by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") on March 1, 2009, and amended on July 3, 2017, sets forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the "**ICP Measures**") which were promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, set out the guidelines on the provisions of Internet information services. The ICP Measures classified Internet information services into commercial Internet information services and non-commercial Internet information services, and a commercial Internet information services provider must obtain a value-added telecommunications business operation license (《增值電信業務經營許可證》) from the appropriate telecommunications authorities. As for the provider of non-commercial Internet information services, only a filing procedure is required. The content of the Internet information is highly regulated in the PRC and pursuant to the ICP Measures, the Internet information services operators are required to monitor their websites. The PRC government may order the holder of value-added telecommunications business operation license for Internet information service (the "**ICP License**") that violates the content restrictions to correct those violations and revoke their ICP Licenses.

Regulations Relating to Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and the other regulations discussed above, the provision of 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 recently amended on June 14, 2022 and came into effect on August 1, 2022. 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.

REGULATIONS RELATING TO ONLINE AUDIO-VISUAL PROGRAMS

According to the Administrative Regulations on Internet Audio-Visual Program Service (《互聯網視聽節目服務管理規定》) (the "**Audio-Visual Regulations**"), promulgated by the State Administration of Radio, Film and Television (the "**SARFT**", currently known as the National Radio and Television Administration) and the Ministry of Information Industry of the PRC (the "**MII**", which is the predecessor of MIIT) on December 20, 2007, as amended on August 28, 2015, Internet audio-visual program service refers to activities of making, editing and integrating audio-visual programs, providing them to the general public via Internet, and providing such services to others by uploading. An Internet audio-visual program service provider shall obtain a Permit for Dissemination of Audio-Visual Programs via Information Network (the "**AVSP**") issued by the competent department of radio, film and television, or handle the archive-filing formalities. The Audio-Visual Regulations provides that the applicant for AVSP shall, among other conditions, be a wholly state-owned entity or a state-controlled entity.

On February 9, 2021, the MIIT and six other government authorities jointly issued the Guiding Opinions on Strengthening the Standardized Administration of Online Live-streaming (《關於加強網絡直播規範管理工作的指導意見》), according to which, live-streaming platforms carrying out Internet audio-visual program services shall hold the AVSP (or complete registration with the national information registration management system for Internet audio-visual platforms) and go through ICP record-filing.

On April 10, 2022, we, with the assistance of our PRC Legal Adviser, conducted an online interview with the director of the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局). The director, after reviewing contents on our *MedSci* platform, orally confirmed that (i) the online audio-visual programs that we provided mainly for targeted medical professionals, are not deemed as "audio-visual programs" under the relevant regulations and rules, and (ii) we have no act or record of violating the relevant laws and regulations or normative documents for the supervision of radio, television and network audio-visual program, and we have not been subject to any investigation or sanctions from it. According to our PRC Legal Adviser, the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局) is the competent authority to provide such confirmation. See also "Risk Factors — Risks

Relating to Our Business and Industry — If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected" for further details. As such, our PRC Legal Adviser is of the view that (i) as the online audio-visual programs that we provide, such as short videos, livestreaming or pre-recorded courses, are not deemed as audio-visual programs according to the above government consultation, our provision of such programs does not fall within the scope of Internet audio-visual program service where foreign investment is prohibited according to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**"), and (ii) our provision of such online audio-visual programs does not violate any applicable PRC laws or regulations in effect on Internet audio-visual program service.

REGULATIONS RELATING TO RADIO AND TELEVISION PROGRAM PRODUCTION AND OPERATION

According to the Administrative Provisions on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》) which were promulgated by the SARFT on July 19, 2004, came into effect on August 20, 2004 and last amended on December 1, 2020, the State adopts a licensing system regarding the establishment of the institutions that produce and operate radio and television programs or engaging in production and operation of radio and television programs. License to Produce and Operate Radio or Television Programs shall be obtained for establishing institutions that produce and operate radio and television programs or engaging in production and operation of radio and television programs. The state encourages domestic social organizations, enterprises and institutions (excluding wholly foreign-owned enterprises, Sino-foreign equity joint venture enterprises or Sino-foreign cooperative joint ventures established in China) to establish institutions that produce and operate radio and television programs or engage in production and operation of radio and television programs. The license holders shall not alter, lease, lend, transfer, sell or forge in any form the License to Produce or Operate Radio and Television Programs. Those who violate the Administrative Provisions on the Production and Operation of Radio and Television Programs shall be penalized according to the Administrative Regulations on the Radio and Television (《廣播電視管理條例》). Any act that constitutes a crime shall be subject to prosecution for criminal responsibility.

REGULATIONS RELATING TO ONLINE DRUG INFORMATION SERVICES

According to the Measures Regarding the Administration of Drug Information Service over the Internet (《互聯網藥品信息服務管理辦法》), promulgated by the State Food and Drug Administration (the "**SFDA**", currently merged into the State Administration for Market Regulation, or the SAMR) on July 8, 2004 and amended on November 17, 2017, the operational Internet drug information service refers to the activities of providing medical information (including medical devices) and other services to Internet users through the Internet, and where any website intends to provide Internet drug information services, it

shall, prior to applying for an operation permit or record-filing from the State Council's department in charge of information industry or the telecom administrative authority at the provincial level, file an application with the provincial FDA, and shall be subject to the examination and approval thereof for obtaining the qualifications for providing Internet drug information services. The validity term for a Qualification Certificate for Internet Drug Information Services is five years and may be renewed at least six months prior to its expiration date upon a re-examination by the relevant authority. Pursuant to the Measures Regarding the Administration of Drug Information Service over the Internet, the Internet drug information services are classified into two categories, namely, profit-making services and non-profit-making services. Profit-making services refers to that of providing Internet users with drug information in return for service fees whilst non-profit-making services refers to that of providing Internet users with drug information which is shared and accessible by the public through the Internet free of charge. Furthermore, information relating to drugs must be accurate and scientific in nature, and its provision shall comply with the relevant laws and regulations. No product information of stupefacient, psychotropic drugs, medicinal toxic drugs, radiopharmaceutical, detoxification drugs and pharmaceutics made by medical institutes shall be distributed on the website. In addition, advertisements relating to drugs (including medical devices) shall be approved by the National Medical Products Administration (the "**NMPA**") or its competent branches, and shall specify the approval document number.

REGULATIONS RELATING TO DRUG OPERATION

In September 1984, the SCNPC promulgated the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**"), which was amended in 2001, 2013, 2015 and 2019, respectively, to regulate all entities or individuals engaging in research, manufacture, operation, use, supervision and management of drugs within the PRC. According to the Drug Administration Law, no drug operation, including drug wholesale and drug retail business, is permitted without obtaining the Drug-trading License (《藥品經營許可證》). If the trading of drugs is conducted without a Drug-trading License, the illegal incomes by selling drugs shall be confiscated and the local Food and Drug Administration (the "**FDA**", which is now known as the Medical Products Administration, or the "**MPA**") shall impose a fine ranging from 15 to 30 times of the value of the illegally sold drugs (including sold or unsold drugs). The Implementation Rules for the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), were promulgated by the State Council in August 2002 and amended in 2016 and 2019, which emphasized the detailed implementation rules of drugs administration.

REGULATIONS RELATING TO CLINICAL TRIALS ON DRUGS

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), which were promulgated on January 22, 2020 and became effective on July 1, 2020, an applicant shall complete relevant research work in terms of pharmacy, pharmacology and toxicology, and drug clinical trials, etc. before applying for drug marketing registration. Drug clinical trials shall be approved, in which bioequivalence trials shall be filed; a drug clinical trial shall be conducted in a drug clinical trial institution that complies with relevant regulations, and shall conform to the Good Clinical Practice.

The Good Practice for Clinical Trails of Drugs (2020) (《藥物臨床試驗質量管理規範(2020)》) (the "**GCP (2020)**"), issued by the NMPA and the National Health Commission (the "**NHC**") on April 23, 2020 and effective on July 1, 2020, is a quality standard for the whole process of clinical drug trials involving protocol design, organization and implementation, monitoring, auditing, recording, analysis, summary and reporting. Pursuant to the GCP (2020), a trial protocol shall be distinct, explicit and operable and may be executed only upon the consent of the ethics committee. An investigator shall abide by the relevant trial protocol during a clinical trial, and each medical judgment or clinical decision-making involved shall be made by clinicians. The investigator and the clinical trial institution shall, when authorizing any individual or entity to undertake clinical trial-related responsibilities and functions, ensure that it has the corresponding qualifications, and establish complete procedures to ensure its performance of clinical trial-related responsibilities and functions and the generation of reliable data; and when authorizing any entity other than the clinical trial institution to undertake the trial-related responsibilities and functions, obtain the relevant sponsor's consent. The quality management system for clinical trials shall cover the whole process of a clinical trial with emphasis on the protection of subjects, reliability of the trial results and compliance with pertinent laws and regulations.

REGULATIONS RELATING TO MEDICAL DEVICES OPERATION AND TRIALS

The Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) (the "**Medical Device Regulations**") which were issued by the State Council in 2000 and recently amended on December 21, 2020 and came into effect on June 1, 2021, regulating entities that engage in the research and development, production, operation, use, supervision and administration of medical devices in the PRC. Medical devices are classified according to their risk levels. Class I medical devices are medical devices with low risks, and the safety and efficacy of which can be ensured through routine administration. Class II medical devices are medical devices with moderate risks, which are strictly controlled and administered to ensure their safety and efficacy. Class III medical devices are medical devices with relatively high risks, which are strictly controlled and administered through special measures to ensure their safety and efficacy. The classification of specific medical devices is stipulated in the Medical Device Classification Catalog (《醫療器械分類目錄》), which was issued by the SFDA on August 31, 2017 and most recently amended by the NMPA on March 28, 2022.

Pursuant to the Measures for the Supervision and Administration of Medical Devices Operation (《醫療器械經營監督管理辦法》) promulgated by the SFDA on July 30, 2014 and last amended by the SAMR on March 10, 2022 with effect as of May 1, 2022, licensing or filing is not required for business activities involving Class I medical devices, while filing administration shall apply to business activities involving Class II medical devices, and licensing administration shall apply to business activities involving Class III medical devices. An enterprise engaging in the operation of medical devices shall have business premises and storage conditions suitable for the operation scale and scope, and shall have a quality control department or personnel suitable for the medical devices it operates. Also, a quality control system compatible with the medical devices it operates is required, and an enterprise engaging in business activities involving Class III medical devices shall also have

a qualified computer information management system in order to ensure the traceability of the products it deals in. An enterprise engaged in the operation of Class II medical devices shall file with the municipal level drug supervision and administration department, and provide proofing materials for satisfying the relevant conditions of engaging in the operation of medical devices, while an enterprise engaged in the operation of Class III medical devices shall apply for an operation permit to the municipal level drug supervision and administration department, and provide proofing materials for satisfying the relevant conditions of engaging in the operation of such medical devices. An operation permit is valid for five years.

According to the Regulations on Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), an enterprise engaging in the operation of Class II medical devices shall make a record-filing (第二類醫療器械經營備案) with the food and drug supervision and administration department of the people's government of the city divided into districts where the operating enterprise is located. If an enterprise operates Class II medical devices without obtaining the medical device registration certificate, the authority shall confiscate illegal gains, the illegally operated medical devices and tools, equipment, raw materials and other articles used for illegal operation; where the value of illegally operated medical devices is less than RMB10,000, a fine of not less than RMB50,000 but not more than RMB100,000 shall be imposed; where the value is not less than RMB10,000, a fine of not less than ten times but not more than 20 times the value shall be imposed; where the circumstances are serious, the application for license of medical devices proposed by the relevant persons responsible and enterprises shall not be accepted within five years.

On March 1, 2016, the SFDA and the National Health and Family Planning Commission of PRC (the "**NHFPC**", currently known as the NHC) jointly promulgated the Good Clinical Practice for Medical Devices Trials (《醫療器械臨床試驗質量管理規範》), which was amended by the NMPA and the NHC on March 24, 2022 with effect as of May 1, 2022. The regulation includes full procedures of clinical trial of medical devices, including, among others, the protocol design, implementation, monitoring, verification, inspection, and data collection, recording, preservation, analysis, summary and reporting procedure of a clinical trial. For conducting clinical trials of medical devices, an applicant shall organize to formulate scientific and reasonable clinical trial protocols according to the purpose of the trial, and comprehensively consider the risks, technical characteristics, scope of application and expected use of the medical devices. The applicant shall select the clinical trial institutions and its researchers from the qualified medical device clinical trial institutions according to the characteristics of the medical devices to be used in the clinical study, and enter into a contract with them to specify the rights and obligations of each party in the clinical trials of medical devices. The applicant for clinical trials of medical devices shall be responsible for initiating, applying, organizing and monitoring such clinical trials, and shall be responsible for the authenticity and reliability of the clinical trials.

Pursuant to the Medical Device Regulations, clinical evaluation shall be conducted before the registration or record-filing of medical devices. However, medical devices may be exempt from clinical evaluation under any of the following circumstances: (i) they have clear and definite working mechanisms, finalized designs and mature manufacturing techniques, the marketed medical devices of the same category have been put into clinical application for years with no record of severe adverse event, and their general purposes remain unchanged; (ii) the safety and utility of such medical devices can be proved through non-clinical evaluation. During the process of clinical evaluation for medical devices, their safety and efficacy may be proved by carrying out clinical trials or analyzing and evaluating the clinical literature and data of medical devices of the same category on the basis of the product characteristics, clinical risks, existing clinical data and other circumstances. If the existing clinical literature and data are insufficient to confirm the safety and efficacy of the medical devices, clinical trials shall be conducted.

REGULATIONS RELATING TO INTERNET ADVERTISING

The Standing Committee of the NPC (the "**SCNPC**") released the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) on October 27, 1994 and latest amended on April 29, 2021, which provides that the Internet information service providers shall not publish medical, drugs, medical machinery or health food advertisements in disguised form of introduction of healthcare and wellness knowledge. According to the Advertising Law, medical, drugs, and medical machinery advertisements shall not contain (i) assertion or guarantee about efficacy or safety, (ii) any statement on cure rate or effective rate, (iii) comparison of efficacy and safety against other drugs, medical machinery or other medical institutions, (iv) recommendation or endorsement of an advertising spokesperson, or (v) any other contents prohibited by laws and administrative regulations. The contents of a drug advertisement shall not be inconsistent with the package insert approved by the drug administrative department of the State Council, and shall state the contraindications and adverse reactions prominently. Any advertisement for prescription drugs shall prominently indicate that "the advertisement is intended for medical and pharmaceutical professionals only", and any advertisement for non-prescription drugs shall prominently indicate that "please purchase and use it according to the package insert or a pharmacist's instructions". Any advertisement for medical devices intended for personal use shall prominently indicate that "please read the product specifications carefully or purchase and use it under the guidance of medical personnel". Where there are contraindications and precautions in the registration certificate for the medical device product, the advertisement shall prominently indicate that "please refer to the specifications for the contraindications and precautions".

The Interim Measures for Administration of Internet Advertising (《互聯網廣告管理暫行辦法》) (the "**Internet Advertising Measures**") regulating the Internet-based advertising activities, were adopted by the State Administration for Industry and Commerce (the "**SAIC**", currently known as the SAMR) on July 4, 2016. According to the Internet Advertising Measures, Internet advertisers are responsible for the authenticity of the advertisements content. Publishing and circulating advertisements through the Internet shall not affect the normal use of the Internet by users. It is not allowed to induce users to click on the content of advertisements by any fraudulent means, or to attach advertisements or advertising links in the emails without permission. An advertisement publisher shall

establish and maintain an accepting registration, examination and file management system concerning advertising business, examine, verify and record the name, address, existing contact number of each advertiser and other relevant information and verify and update such information on a regular basis. Advertisement publishers shall verify related supporting documents (including the advertisement approval documents issued by the NMPA or its competent branches) and check the contents of the advertisement provided by advertisers, and be prohibited from designing, producing, providing agency services or publishing any advertisement with nonconforming contents or without all the necessary certification documents. Where advertisement publishers fail to do these, the local authority of SAMR shall order them to make corrections, and may impose upon them a fine of not more than RMB50,000. The Company has established an accepting registration, examination and file management system to review the relative supporting documents of the advertisers. When the advertisers entrust us to publish the above-mentioned advertisements on the *MedSci* platform, it is the responsibility of advertisers seeking to advertise its drugs (including medical devices), not us, to obtain the approval documents (if applicable). Our obligation only involves verifying such approval documents before publishing the underlying advertisements on our *MedSci* platform.

Pursuant to the Interim Administrative Measures for Censorship of Advertisements for Drugs, Medical Devices, Dietary Supplements and Foods for Special Medical Purpose (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which were promulgated by the SAMR on December 24, 2019, effective on March 1, 2020, an enterprise seeking to advertise its drugs, medical devices, dietary supplement or food for special medical purpose shall apply for an advertisement approval number and seek approvals from NMPA or its competent branches. The validity period of the advertisement approval number concerning a drug, medical device, dietary supplement or food for special medical purpose shall be consistent with that of the registration certificate or record-filing certificate or the production license of the product, whichever is the shortest. Where no validity period is set forth in the registration certificate, record-filing certificate or the production license of the product, the advertisement approval number shall be valid for two years. The content of an approved advertisement may not be altered without prior approval. Where any alteration to the advertisement is needed, a new advertisement approval shall be obtained.

REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign Investment Law and Regulations

On March 15, 2019, the National People's Congress of the PRC (the "**NPC**") 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, and replaced the trio of laws regulating foreign investment in the PRC, namely, the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》). Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by,

amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Negative List which was promulgated by the NDRC and the Ministry of Commerce of the PRC (the "**MOFCOM**") on December 27, 2021 and became effective on January 1, 2022 and the Encouraged Industry Catalog for Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**"), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and became effective on January 1, 2023, replaced the previous Encouraged Industry Catalog for Foreign Investment (2020 Version) (《鼓勵外商投資產業目錄(2020年版)》). Pursuant to the Negative List, value-added telecommunication services fall into the restricted category and the foreign investment in value-added telecommunications services shall not exceed 50% (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers).

The Negative List further provides that a PRC domestic enterprise engaged in foreign investment prohibited business and intends to offer and list in overseas markets shall complete the examination process and obtain approval from relevant government authorities, that any overseas investor in the enterprise shall not participate in the operation and management of the enterprise, and that the equity ratio of overseas investor in the enterprise shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors (the "**Domestic Enterprise Direct Listing Requirement**"). At a press conference held on January 18, 2022, the NDRC clarified that the Domestic Enterprise Direct Listing Requirement would only apply to PRC domestic enterprise's direct overseas listing. Therefore, the PRC Legal Adviser is of the view that as the Company is not a PRC domestic enterprise seeking direct overseas [REDACTED], the Domestic Enterprise Direct Listing Requirement is not applicable to us.

Based on the forgoing, our Directors, with the advice of our PRC Legal Adviser, and the Joint Sponsors, with the advice of their PRC legal adviser, believe that the [REDACTED] does not require any examination or approval from the relevant government authorities in accordance with the relevant laws and regulations currently in effect.

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 China 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, the MOFCOM and the SAMR jointly promulgated the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which 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 Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, the Wholly Foreign-owned Enterprise Law of the PRC and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC 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.

M&A Rules

According to the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") which were jointly adopted by the MOFCOM, the State Administration of Foreign Exchange (the "**SAFE**") and other four ministries on August 8, 2006, took effect on September 8, 2006 and amended on June 22, 2009, "mergers and acquisitions of domestic enterprises by foreign investors" refers to: (a) a foreign investor converts a non-foreign invested enterprise (domestic company) to a foreign invested enterprise by purchasing the equity interest from

the shareholder of such domestic company or the increased capital of the domestic company; or (b) a foreign investor establishes a foreign invested enterprise to purchase the assets from a domestic enterprise by agreement and operates the assets therefrom; or (c) a foreign investor purchases the assets from a domestic enterprise by agreement and uses these assets to establish a foreign invested enterprise for the purpose of operation of such assets.

The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or individuals intends to acquire equity interests or assets of any other PRC domestic company affiliated with such PRC companies or individuals, such acquisition must be submitted to MOFCOM for approval. After the FIL and its implementation regulations became effective on January 1, 2020, the provisions of the M&A Rules remain effective to the extent they are not inconsistent with the FIL and its implementation regulations.

Restrictions on Foreign Investment in Value-added Telecommunications Services

Pursuant to the Negative List, foreign investment in value-added telecommunications services is restricted, and the percentage of foreign ownership cannot exceed 50% (except for e-commerce, domestic multi-party communications, store-and-forward and call center).

Pursuant to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which were most recently revised with effect from May 1, 2022, the foreign-invested value-added telecommunications enterprises in the PRC are required to be established as sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise. Moreover, foreign invested enterprises that meet these requirements must obtain approvals from the MIIT for their commencement of value-added telecommunications business in the PRC.

On July 13, 2006, the MII promulgated the Circular on Strengthening the Administration of Foreign Investment and Operation of Value-added Telecommunications Business (《關於加強外商投資經營增值電信業務管理的通知》) (the "**MIIT Circular**"), pursuant to which, a domestic company that holds a value-added telecommunications business operation licenses is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that conduct value-added telecommunications business illegally in China. In addition, under the MIIT Circular, the Internet domain names and registered trademarks used by a foreign-invested value-added telecommunications service operator shall be legally owned by that operator or its shareholders.

Prohibition on Foreign Investment in Radio and Television Program Production and Operation Services and Online Audio-Visual Program Services

Pursuant to the Negative List, the foreign investment in radio and television program production and operation services and online audio-visual program services are strictly prohibited.

REGULATIONS RELATING TO CYBER SECURITY

Cyber Security Law of the PRC

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), or the Cyber Security Law, which became effective on June 1, 2017. Under the Cyber Security Law, network operators shall take technical measures and other necessary measures in accordance with applicable laws, regulations and compulsory national requirements to ensure the safe and stable operation of the networks, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The Cyber Security Law also stipulates that the State adopts classified system for cybersecurity protection, under which network operators are required to fulfill relevant obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered.

On February 18, 1994, the State Council promulgated the Regulations on the Security Protection of Computer Information System (the "**CIS Regulations**") and amended it on January 8, 2011. The CIS Regulations requires safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems.

On June 22, 2007, the Ministry of Public Security as well as three other regulatory authorities issued the Administrative Measures for the Graded Protection of Information Security, which became effective on the same day. According to the Administrative Measures for the Graded Protection of Information Security, the security protection of an information system may be graded from Level 1 to Level 5. Information systems shall be graded as Level 3 when the destruction of the information system will cause material damage to social order and public interests or will cause damage to national security. Entities operating and using Level 3 information system shall protect the information system in accordance with relevant regulations and technical standards of the PRC as well as the special business needs.

Measures for Cyber Security Review

On April 13, 2020, the CAC and 11 other government authorities jointly promulgated the Measures for Cyber Security Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures (2020)**"), effective from June 1, 2020, which provides that crucial information infrastructure operators purchasing network products and services, which affects or may affect national security, shall apply for cybersecurity review to the cyberspace administrations in accordance with the provisions thereunder.

The CAC, jointly with other 12 governmental authorities, issued the Measures for Cyber Security Review (2021) (《網絡安全審查辦法》(2021)), or the Cybersecurity Review Measures (2021), on December 28, 2021, which became effective on February 15, 2022 and repeal the Cybersecurity Review Measures (2020) simultaneously. According to the Cybersecurity Review Measures (2021), an application for cybersecurity review shall be

made to the Office of Cybersecurity Review in the following circumstances: (i) when the purchase of network products and services by a crucial information infrastructure operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cybersecurity Review Measures (2021). The aforesaid operators shall file for a cybersecurity review with Cybersecurity Review Office under the CAC if their behavior affects or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities believe that the network products or services, or data processing activities affect or may affect national security.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Crucial 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, crucial 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.

REGULATIONS RELATING TO DATA SECURITY

The Data Security Law of the PRC (《中華人民共和國數據安全法》), or the Data Security Law, which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, applies to data processing activities, including the collection, storage, use, processing, transmission, provision and disclosure of data, and security supervision of such activities within the territory of the PRC. Where data processing activities outside the territory of the PRC damage national security, public interests or the legitimate rights and interests of PRC citizens and organizations, such activities shall be subject to legal liabilities. The PRC would also establish a data security review system, under which data processing activities that affect or may affect national security shall be reviewed. According to the Data Security Law, whoever carries out data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security. Important data shall also be categorized and protected more strictly.

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)), or the Draft Data Security 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 is to implement general requirements on data security management from the Cyber Security Law, the Data Security Law, and the Personal Information Protection Law, and supplement these with implementing details. More specifically, it addresses requirements including protection of personal information,

security of important data, security management of cross-border data transfer, obligations of Internet platform operators, and supervision and management of cyber data security. Under the Draft Data Security Regulations, data is divided into three categories — common data, important data and core data — depending on its impact and importance on national security, public interests or the legitimate rights and interests of individuals and organizations. Data processors shall comply with the requirements of cybersecurity multi-level protection, strengthen the security protection of data processing system, data transmission network and data storage environment. Data processors shall establish a data security emergency response mechanism, and promptly start the emergency response mechanism in the event of a data security incident. The Draft Data Security Regulations also set out detailed rules for data processors to implement when providing personal information to third parties, or sharing, trading or entrusting important data to third parties.

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". As of the Latest Practicable Date, the Draft Data Security Regulations have not been formally adopted, and there is no definite timetable for the adoption of these regulations.

On October 29, 2021, the CAC has publicly solicited the Measures for Security Assessment for Cross-border Data Transfer (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》). On July 7, 2022, the CAC officially promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》), or the Security Assessment Measures, which came into effect on September 1, 2022. The Security Assessment Measures shall apply to the security assessment of the provision to overseas parties of important data and personal information collected and produced during operations within the mainland of the PRC by data processors. Such measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data overseas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information overseas; (iii) where a data processor provides personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively overseas since January 1 of the previous year; or (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC.

REGULATIONS RELATING TO PERSONAL INFORMATION PROTECTION

On December 29, 2011, the MIIT issued Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which provides that an Internet information service provider may not collect any user's personal information or provide any such information to third parties without such user's consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, Internet information service providers are required to, among others, (i) expressly inform the users of the method, content and purpose of collecting and processing such users' personal information and may only collect such information necessary for the provision of its services; and (ii) properly store and secure the users' personal information, and in case of any leak or possible leak of a user's personal information, Internet information service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

Pursuant 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 any user's personal information must be subject to the consent of the user, and abide by the principles of lawfulness, fairness, necessity, and good faith and fall 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 with or destroying any such information, or selling or illegally providing such information to other parties. An Internet information service provider is required to take measures to prevent the collected personal information from any leakage, damage, tampering or loss.

Pursuant to the Regulations for Medical Institutions on Medical Records Management (2013 Version)(《醫療機構病歷管理規定(2013年版)》) released by the NHFPC and the NATCM on November 20, 2013, and effective from January 1, 2014, the medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients' medical records for non-medical, non-teaching or non-research purposes is prohibited. The NHFPC issued the Measures for Administration of Population Health Information (Trial) (《人口健康信息管理辦法(試行)》) on May 5, 2014, which refers the medical health service information as the population healthcare information, and emphasizes that such information cannot be stored in offshore servers, and the offshore servers shall not be hosted or leased. Pursuant to the Management Measures of Standards, Safety and Service of National Health and Medical Big Data (Trial) (《國家健康醫療大數據標準、安全和服務管理辦法(試行)》), promulgated by the NHC on July 12, 2018, the medical institutions should establish relevant safety management systems, operation instructions and technical specifications to safeguard the safety of healthcare big data generated in the process of health management service or prevention and cure service of diseases. And it also stipulates that such healthcare big data should be stored in onshore servers and shall not be provided overseas without safety assessment.

Pursuant to the Ninth Amendment to the Criminal Law (《刑法修正案(九)》), issued by the SCNPC on August 29, 2015, which became effective on November 1, 2015, when persons sell or provide personal information of citizens to others in violation of relevant rules and regulations, and if the circumstances are serious, imprisonment of no more than 3 years or criminal detention, in combination of fines, or fines alone could be imposed. In addition, Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Personal Information (《關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), issued on May 8, 2017 and effective as of June 1, 2017, clarified certain standards for the conviction and sentencing of the criminals in relation to personal information infringement.

The PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, released by the SCNPC on August 20, 2021 and effective from November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The PIPL sets forth certain specific personal information protection requirements, including but not limited to more specific inform and consent requirements in various contexts, strengthened and classified obligations of personal information processors, and more limitations and rules on process of personal information.

REGULATIONS RELATING TO OVERSEAS LISTING

On December 24, 2021, the China Securities Regulatory Commission (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**", and together with the Draft Overseas Listing Administration Provisions, the "**Draft Regulations on Listing**"), which are open for public comments until January 23, 2022.

On February 17, 2023, the CSRC issued the Tentative Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies(《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines (collectively referred to as the "**Tentative Measures on Listing**"), which has been approved by the State Council and will take effect on March 31, 2023.

The Tentative Measures on Listing brings all overseas listing activities including both direct and indirect overseas offering and listing under regulation by adopting a filing-based administration system. The Tentative Measures on Listing applies to domestic companies of equity shares directly or indirectly issuing securities overseas or listing their securities overseas. Domestic companies that seek to offer and list securities on overseas markets shall fulfill the filing procedure with the CSRC and report relevant information. Overseas offerings and listings that involve security review in accordance with relevant laws and

regulations should duly perform security review procedures. Overseas offerings and listings (i) that are explicitly prohibited by specific PRC laws and regulations, (ii) that constitute threat to or endanger national security, (iii) where the PRC domestic enterprises, their controlling shareholder or actual controller of the issuer is involved in certain criminal offense in the past three years, (iv) where the PRC domestic enterprises of the issuer are involved in criminal offense or administrative penalties with serious circumstances and there are no clear conclusions yet, or (v) that involve material ownership dispute over the equity held by the controlling shareholder or the shareholder controlled by the controlling shareholder or the actual controller, are explicitly forbidden by the Tentative Measures on Listing (the "**Forbidden Circumstances**"). Domestic companies that seek to offer and list securities on overseas markets can raise funds and pay dividend in foreign currency or RMB.

The Tentative Measures on Listing details the filing procedures and regulatory requirements on overseas offering and listing activities by domestic companies. The Tentative Measures on Listing specifies the filing entity and procedures. For direct overseas offering and listing, the issuer shall fulfill the filing obligations; for indirect overseas offering and listing, the issuer shall designate a major domestic operating entity to fulfill the filing obligations. Where an issuer makes an application for initial public offering on an overseas market, the filing entity shall submit to the CSRC filing documents within 3 working days after such application is submitted. If an issuer listed in an overseas market makes refinancing by offering securities in the same overseas market, filings shall be made within 3 working days after such securities offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed within 3 working days after the listing application is submitted. After completing the filing procedures and immediately prior to the completing of listing in overseas market, the issuer shall report to the CSRC on material events, which include material change in main business, licenses or qualifications, material change in equity structure or change of control, material change in the offering and listing plan. After the completion of listing on overseas market, the issuer shall report material events to the CSRC, which include change of control, investigations or sanctions imposed by overseas securities regulatory authorities, conversion of listing status or listing sector and voluntary or forced delisting. At a press conference held on February 17, 2023, the officials from the CSRC clarified that for domestic enterprises that have been approved by overseas regulators or overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing of the Stock Exchange) on or before the effective date of the Tentative Measures on Listing (i.e., March 31, 2023), but have not completed the indirect overseas offering and listing, a six-month transition period will be granted. Those who complete the overseas issuance and listing within six months are deemed as stock enterprises. The stock enterprises do not require filing immediately. Subsequent filing matters such as refinancing shall be filed as required. If the above-mentioned domestic enterprises need to re-perform the issuance and listing procedures to the overseas regulatory authorities within six months (such as requiring a new hearing of the Stock Exchange) or fail to complete the overseas issuance and listing within six months, such domestic enterprises shall complete the filing procedures.

At a press conference held on February 17, 2023, the officials from the CSRC clarified that the overseas listing of VIE-structured enterprises meeting the compliance requirements can complete the filing procedures with the CSRC. Therefore, our PRC Legal Adviser is of the view that the Tentative Measures on Listing allow PRC domestic companies with a VIE structure that has compelted the filing procedures pursuant to the Tentative Measures on Listing and comply with applicable PRC laws and regulations to conduct overseas offering and listing.

To the best of our knowledge, none of the Forbidden Circumstances specified under the Tentative Measures on Listing that would prohibit us from conducting overseas [REDACTED] and [REDACTED] exist. None of our PRC domestic companies, their controlling shareholders, actual controllers or directors are involved in criminal offense or administrative penalties that would prohibit us to conduct overseas [REDACTED] and [REDACTED] pursuant to Tentative Measures on Listing.

Based on the foregoing analysis, our Directors, with the advice of our PRC Legal Adviser, and the Joint Sponsors, with the advice of their PRC legal adviser, are of the view that the Tentative Measures on Listing would not have any material adverse impact on our business operations.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**"), which was latest amended on November 11, 2020 with effect from June 1, 2021, copyrights comprises of personal rights (such as the right to publish the work and the right of attribution) and property right (such as the right to reproducing or distributing the work). Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the relevant right owner would constitute infringement of copyright, unless otherwise provided in the Copyright Law. The infringer shall, depending on the circumstances of the case, cease the infringement, take remedial action, make an apology, and/or pay damages.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**"), which was recently revised on April 23, 2019 with effect from November 1, 2019, registered trademarks refer to trademarks that have been approved and registered by the Trademark Office (商標局). Registered trademarks could be commodity trademarks, service trademarks, collective marks or certification marks. The trademark registrant shall enjoy an exclusive right to use the trademark, which shall be protected by law.

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), which was recently revised on October 17, 2020 and came into effect on June 1, 2021, after the grant of the patent right for an invention, utility model, or design, unless otherwise provided in the Patent Law, no entity or individual may, without the authorization of the patent owner, infringe the patent. Where the infringement of a patent is found, the infringer shall, in accordance with the laws and regulations, cease the infringement, take remedial action and/or pay damages.

Domain Name

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 with effect from November 1, 2017, domain name registration is performed on a "first come, first served" basis. The domain names registered or used by an organization or individual shall not contain any contents prohibited by laws and administrative regulations. A domain name registration applicant shall provide the domain name registration service agency with true, accurate and complete identity information about the domain name holder.

REGULATIONS RELATING TO LABOR PROTECTION

According to the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, respectively, an employer shall establish a comprehensive management system to safeguard the rights of its employees, including developing and improving its labor safety and health system, stringently implementing national protocols and standards on labor safety and health, conducting labor safety and health education for workers, guarding against labor accidents and reducing occupational hazards. Labor safety and health facilities must comply with relevant national standards. An employer must provide employees with the necessary labor protection equipment that comply with labor safety and health conditions stipulated under national regulations, as well as provide regular check-ups for workers that engage in operations with occupational hazards. Laborers who engage in special operations shall have received specialized training and obtained the pertinent qualifications. An employer shall develop a vocational training system. Vocational training funds shall be set aside and used in accordance with national regulations and vocational training for workers shall be carried out systematically based on the actual conditions of the company.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) which was promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012, and the Implementation Regulations on 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 became effective on September 18, 2008, regulate employer and employee relations and contain specific provisions on the terms of the labor contract. Labor contracts must be made in writing. An employer and an employee may enter into a fixed-term labor contract, an un-fixed term labor contract, or a labor contract that concludes upon the completion of certain work assignments, after reaching due negotiations. An employer may legally terminate a labor contract and dismiss its

employees after reaching agreement upon due negotiations with the employee or by fulfilling the statutory conditions. Labor contracts concluded prior to the enactment of the Labor Contract Law and subsisting within the validity period thereof shall continue to be honored.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), enterprises in the PRC shall provide benefit plans for their employees, which include basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and shall pay or withhold relevant social insurance premiums for or on behalf of employees. On September 6, 2011, the MHRSS promulgated the Interim Measures for Participation in the Social Insurance System by Foreigners Working within the Territory of China (《在中國境內就業的外國人參加社會保險暫行辦法》), which clarifies that employers shall also participate in the basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance for its foreign national employees.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated and became effective on April 3, 1999 and last amended on March 24, 2019, employers are required to contribute to housing provident funds for the benefit of their employees.

REGULATIONS RELATING TO TAX

Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**"), which was enacted on March 16, 2007 and last amended on December 29, 2018, and the Implementation Rules to the EIT Law (《中華人民共和國企業所得税法實施條例》), which was promulgated on December 6, 2007 and amended on April 23, 2019 by the State Council, enterprises are classified as either resident enterprises or non-resident enterprises. The income tax rate for resident enterprises, including both domestic-invested and foreign-invested enterprises, shall typically be 25%. Non-resident enterprises which have not established agencies or offices in China, or which have established agencies or offices in China but whose income has no association with such agencies or offices shall pay enterprise income tax on its income deriving from inside China at the reduced rate of 10%.

Income Tax in Relation to Dividend Distribution

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得税避免雙重徵税和防止偷漏税的安排》) (the "**Double Tax Avoidance Arrangement**")

on August 21, 2006. According to the Double Tax Avoidance Arrangement, when a PRC company is distributing dividends to a HK resident who is the beneficial owner of such dividends, the PRC withholding tax rate is 5% in the case where the receiver holds directly no less than 25% equity interests in the aforesaid PRC company, or 10% in other cases.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) promulgated by the State Administration of Taxation (the "**SAT**") and becoming effective on February 20, 2009, all of the following requirements shall be met in order for a resident of the counterparty country to a tax agreement to enjoy the preferential tax rate treatment as provided in such tax agreement: (i) the counterparty's tax resident who is receiving dividends is an enterprise; (ii) the counterparty's tax resident directly owns a requisite percentage in the owner's equity of or voting rights in the PRC company; and (iii) the counterparty's tax resident directly owns a requisite percentage in the capital of the PRC company as required in the tax agreement at any time during the 12 months prior to receiving dividends.

Pursuant to the Administrative Measures for Agreements Treatment for Non-resident Taxpayers (《非居民納税人享受協定待遇管理辦法》) promulgated by the SAT on October 14, 2019, a non-resident taxpayer meeting conditions for enjoying the tax agreement treatment may be entitled to the tax agreement treatment itself/himself when filing a tax return or making a withholding declaration through a withholding agent and shall collect and keep the supporting documents for inspection upon request.

Value-added Tax

According to the Temporary Regulations on Value-added Tax (《增值税暫行條例》) which was promulgated by the State Council on December 13, 1993 and amended on November 10, 2008, February 6, 2016 and November 19, 2017, respectively, and the Detailed Implementation Rules of the Temporary Regulations on Value-added Tax (《增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993, and was amended on December 15, 2008 and October 28, 2011 respectively, all taxpayers selling goods, providing processing, repair or replacement services, selling services, intangible properties or immovable properties within the PRC or importing goods to the PRC shall pay value-added tax.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The fundamental regulation governing foreign exchange in China is the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administration Rules**"). This was promulgated by the State Council of the PRC on January 29, 1996 and amended on January 14, 1997 and August 5, 2008 with effect from the same day. Under the Foreign Exchange Administration Rules, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China, unless the prior approval of SAFE or its local counterparts is obtained.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《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》), which was promulgated on January 26, 2017, a foreign-invested enterprise can pay dividends to its foreign investors through the financial institutions without the approval of SAFE; financial institutions shall review the relevant documents to ensure the authenticity of the transaction. A foreign-invested enterprise shall cover any losses from previous years before paying dividends to its foreign investors.

In accordance with the Foreign Exchange Administration Rules, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with SAFE or its local counterparts and approval from or filling with the relevant PRC government authorities (if necessary).

According to the Circular on the Management of Offshore Investment and Financing and Round Trip Investment By Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**") which was promulgated on July 4, 2014 with effect from the same day, the domestic resident shall be required to register with the local branch of SAFE for foreign exchange registration of overseas investments before contributing the domestic and overseas lawful assets or interests into a SPV, and to update such registration in the event of any change of basic information of the registered SPV or major changes in the SPV's capital, including increases and decreases of capital, share transfers, share swaps, mergers or divisions. The SPV is defined as an "offshore enterprise directly established or indirectly controlled by the domestic resident (including domestic institution and individual resident) with their legally owned assets and equity of the domestic enterprise, or legally owned offshore assets or equity, for the purpose of investment and financing"; "Round Trip Investments" refers to "the direct investment activities carried out by a domestic resident directly or indirectly via a SPV, i.e., establishing a foreign-invested enterprise or project within the PRC through a new entity, merger or acquisition and other ways, while obtaining ownership, control, operation and management and other rights and interests". In addition, according to the procedural guidelines as attached to the SAFE Circular 37, the principle of review has been changed to "the domestic individual resident is only required to register the SPV directly established or controlled (first level)."

Pursuant to Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which was promulgated on February 13, 2015 and implemented on June 1, 2015, the initial foreign exchange registration for establishing or taking control of a SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau, and the SAFE Circular 13 also simplifies some procedures relating to foreign exchange for direct investments.

On March 30, 2015, SAFE promulgated the Circular 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》) (the "**SAFE Circular 19**"), which came into effect from June 1, 2015. According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement (the "**Discretional Foreign Exchange Settlement**"). The Discretional Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account and if a foreign invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes:

(i) directly or indirectly used for the payment beyond the business scope of the enterprises or the payment as prohibited by relevant laws and regulations;

(ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations;

(iii) directly or indirectly used for granting the entrust loans in Renminbi (unless permitted by the scope of business), repaying the inter-enterprise borrowings (including advances by the third party) or repaying the bank loans in Renminbi that have been sub-lent to the third party; and

(iv) used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), on June 9, 2016, which became effective simultaneously. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on self-discretionary basis. The SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis which applies to all enterprises registered in the PRC. The SAFE Circular 16 reiterates the principle that Renminbi converted from

foreign currency- denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On October 23, 2019, the SAFE issued the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which became effective immediately upon promulgation. The SAFE Circular 28 allows all foreign-invested enterprises, including enterprises which are not registered as foreign-funded investment enterprises, to make equity investment in the PRC using their capital, subject to compliance with the Negative List.

REGULATIONS RELATING TO THE LEASING OF PROPERTY

Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》), which was most recently amended by the SCNPC on August 26, 2019 with effect as of January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are required to register the lease contract with the real estate administration department for filing. According to the Civil Code of the PRC (《中華人民共和國民法典》), failure to register and file the lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the lease contract.

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and coming into force on February 1, 2011, within 30 days after the execution of the lease contract, parties to the lease contract shall register the lease contract with the competent construction (real estate) department under government of municipalities directly under the central government, cities and counties where the housing is located for filing. In the event that the parties fail to complete the registration and filing procedure of the lease, the competent construction (real estate) department shall order rectification within a time limit. If the rectification is not made within the time limit, a fine of less than RMB1,000 shall be imposed for an individual or a fine between RMB1,000 to RMB10,000 shall be imposed for an entity.