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

REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") was issued on March 15, 2019, and came into force from January 1, 2020, which replaced the Law of the People's Republic of China on Chinese-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises(《中華人民共和國外資企業法》). Pursuant to the Foreign Investment Law, the PRC 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.

On December 26, 2019, the State Council issued the Regulations on Implementing the Foreign Investment Law of the PRC(《中華人民共和國外商投資法實施條例》) (the "Implementation Rules"), which became effective on January 1, 2020 and replaced the Regulations on Implementing 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實施條例》). Provisional Regulations on the Duration of Sino-Foreign Equity Joint Venture Enterprise Law(《中外合資經營企業合營期限暫行規定》), the Regulations on Implementing the Wholly Foreign-Invested Enterprise Law of the PRC (《中華人民共和國外資企業法實施細則》) and the Regulations on Implementing 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實施細則》).

On December 30, 2019, the MOFCOM and the SAMR issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020 and replaced the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Funded Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Pursuant to the Measures for the Reporting of Foreign Investment Information where a foreign investor carries out investment activities in the PRC directly or indirectly, the foreign investor or the foreign investment enterprise shall submit the investment information to the competent commerce department.

The 2021 Negative List was promulgated by the National Development and Reform Commission and the Ministry of Commerce jointly on December 27, 2021 and became effective on January 1, 2022. The 2021 Negative List set out the industries and economic activities in which foreign investment in the PRC is restricted or prohibited.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the Security Review of Foreign Investment (外商投資安全審查工作機制辦公室) (the "Office of the Working Mechanism") will be established under the NDRC, which will lead the task together with the MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to (i) the

investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. "Control" as contemplated in item (ii) of the preceding sentence exists when the foreign investor (a) holds over 50% equity interests in the target enterprise, (b) has voting rights that can materially impact on the resolutions of the board of directors or shareholders meeting of the target enterprise even when it holds less than 50% equity interests in the target, or (c) has material impact on the target enterprise's business decisions, human resources, accounting and technology.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

Licenses for Value-added Telecommunication Services

The PRC Telecommunications Regulations (《中華人民共和國電信條例》), promulgated by the State Council in 2000, and subsequently revised in 2014 and 2016 respectively, provides the regulatory framework for telecommunications service providers in the PRC. The PRC Telecommunications Regulations classifies telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of value-added telecommunications services are required to obtain a license for value-added telecommunications services. According to the Catalogue of Telecommunications Business (《電信業務分類目錄》), most recently updated on June 6, 2019, information services provided via public communication network or the internet are value-added telecommunications services. We engage in business activities that are value-added telecommunications services as defined and described by the PRC Telecommunications Regulations and the Catalogue of Telecommunications Business.

The State Council issued the Administrative Measures on Internet Information Services concurrently with the Telecommunications Regulations (《互聯網信息服務管理辦法》) in 2000 to regulate internet content provision services, which was subsequently amended on January 8, 2011. According to these measures, the internet information services are classified into commercial internet information services and non-commercial internet information services; a commercial operator of internet content provision services must obtain an Internet Content Provision License for the provision of internet information services from the appropriate telecommunications authorities.

The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》), which was issued by the MIIT on July 3, 2017 and became effective on September 1, 2017 set forth the types of licenses required to operate value-added telecommunications services and the qualifications and procedures for obtaining such licenses. In the event an operator operates value-added telecommunications services without obtaining such licenses, such operator may be subject to sanctions including but not limited to corrective orders and fines.

Measures for Management of Telecommunication Network Code Number (《電信網碼號資源管理辦法》) was issued by MIIT on January 29, 2003 and amended on September 23, 2014, according to which, code resources shall be owned by the State, and any telecommunications network information service providers and call center service providers who need to use telecommunications network code numbers shall be approved by the MIIT or its provincial level counterparts to use telecommunications network code numbers to provide relevant services, and the time limit and scope of such approval shall be identical with that of the telecommunication business license or other related approval documents obtained by such entity.

Foreign Investment in Value-added Telecommunications Services

On December 27, 2021, the NDRC and the MOFCOM published the 2021 Negative List. According to the 2021 Negative List, the proportion of foreign investments in an entity engaging in value-added telecommunications business (except for e-commerce, domestic multi-party communications, storage-forwarding, and call centers) shall not exceed 50%.

The Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), were promulgated by the State Council on December 11, 2001 and subsequently revised in 2008, 2016 and 2022, respectively (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.

However, as of the date of this document, no applicable PRC laws, regulations or rules have provided clear guidance or interpretation about the 2022 FITE Regulations It remains uncertain as to the interpretation and enforcement of the 2022 FITE Regulations in practice and the relevant regulations promulgated by the government authorities. We will closely monitor the relevant regulatory development in connection with the 2022 FITE Regulations.

As advised by our PRC Legal Advisers, such regulatory development does not invalidate our ICP License and SP License or require us to modify our Contractual Arrangements according to PRC laws and regulations. As of the Latest Practicable Date, we have not received any inquiry or notice from the competent authorities regarding the validity of our ICP License and SP License or our Contractual Arrangements as a whole.

REGULATIONS RELATING TO ONLINE CULTURAL PRODUCTS

The Interim Administrative Provisions on Internet Culture (《互聯網文化管理暫行規定》), issued by the MOC in 2003 and further revised in 2004, 2011 and 2017, apply to the entities engaging in activities related to "internet cultural products," which are classified as cultural products developed, published and disseminated via the internet. These products mainly include: (i) online cultural products particularly developed for publishing via internet, such as, among other things, online music and entertainment, online games and online shows and programs, online performance, online artwork and online anime and cartoons; and (ii) online cultural products converted from music and entertainment, games, shows and programs, performance, artwork, anime and cartoons using certain technical means to be disseminated via internet. Pursuant to these regulations, entities are required to obtain the Internet Cultural Operation License (網絡文化經營許可證) from the

applicable provincial level counterpart of the MCT if they intend to commercially engage in any of the following types of activities: (a) production, duplication, import, release or broadcasting of online cultural products; (b) publishing of online cultural products on the internet or transmission over information network, such as internet or mobile telecommunications network, to end user's devices via computers, fixed phones, mobile phones, television sets or online games consoles and internet cafes for the purpose of browsing, reading, reviewing, using or downloading such products by users; or (c) exhibitions or contests related to online cultural products.

On August 12, 2013, the MOC issued the Administrative Measures for Content Self-Review by Internet Culture Business Entities (《網絡文化經營單位內容自審管理辦法》), which require internet culture business entities to review the content of products and services before providing them to the public. The content management system of an internet cultural business entity is required to specify the responsibilities, standards and processes for content review as well as accountability measures, and is required be filed with the provincial level counterpart of the MCT. In addition, Internet cultural business (except for music) remains a prohibited area for foreign investment in the Negative List.

REGULATIONS RELATING TO ONLINE LITERATURE

On 4 February 2016, the State Administration of Press, Publication, Radio, Film and Television (the "SAPPRFT") and the MIIT jointly promulgated the Regulations on the Administration of Online Publishing Services (《網絡出版服務管理規定》) (the "Online Publishing Regulations"), which came into effect on March 10, 2016. The SAPPRFT is responsible for the prior approval, supervision, and administration of the internet publication services nationwide, any online publishing services provided in the territory of the PRC is subject to the Online Publishing Regulations. According to the 2021 Negative List, foreign investment is prohibited from entering into the publishing service industry.

Under the Online Publishing Regulations, "online publications" was defined as digital works that are edited, produced, or processed to be published and provided to the public through the internet, including (i) original digital works, such as knowledgeable and thoughtful texts, pictures, maps, games, animation, audio and video readings in literature, art, science and other fields; (ii) digital works with content that is consistent with the type of content that, prior to being released online, typically was published in offline media such as books, newspapers, periodicals, audio-visual products and electronic publications; (iii) digital works in the form of online databases compiled by selecting, arranging and compiling other types of digital works; and (iv) other types of digital works identified by the SAPPRFT. In addition, foreign-invested enterprises are not allowed to engage in the foregoing services. The Online Publishing Regulations requires any internet publishing services provider to obtain an online publishing service license to engage in online publishing services.

If any entity arbitrarily engages in internet publication services or arbitrarily launches online games (including online games authorized by foreign copyright owners) without approval, it may be banned by the competent publication administrative department and the administrative department for industry and commerce with statutory authority and a fine up to ten times the illegal operating income may be imposed. In addition, based on the Administrative Measures for Internet Publication Services, an annual verification system shall apply to internet publishing

service providers and shall be carried out once every year. The competent provincial-level administrative departments for the SAPPRFT shall carry out the annual verification of internet publishing service providers within their respective administrative regions and report relevant information to the SAPPRFT.

REGULATIONS RELATING TO DIGITAL MARKETING

The Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC on October 27,1994 and last amended on April 29, 2021, requires advertisers to ensure that the content of the advertisements is true. The content of advertisements shall not contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the State or divulges the secrets of the State, (ii) information that contains wordings such as "national level", "highest level" and "best"; and (iii) information that contains ethnic, racial, religious, sexual discrimination. Advertisements posted or published through the internet shall not affect normal usage of network by users. Advertisements published in the form of pop-up window on the internet shall display the close button clearly to make sure that the viewers can close the advertisement by one-click. Moreover, internet service providers are obligated to cease publishing any advertisements that they know or should know are illegal. Violation of these regulations may result in penalties, including fines, confiscation of the advertising incomes, termination of advertising operations and even suspension of the provider's business license.

According to the Advertisement Law and the Measures for the Administration of Internet Advertisements (《互聯網廣告管理辦法》) promulgated by the SAMR on February 25, 2023 and implemented on May 1, 2023, advertising operators and advertising distributors shall establish, improve and implement the management systems regarding acceptance, registration, review and filing of the internet advertising business in accordance with the following provisions: (i) verify and register the information of advertisers, such as their truthful identity, addresses and valid contact details, set up advertisement files and check and update them on a regular basis, record and maintain relevant electronic data of advertising activities. Relevant files shall be kept for not less than three years from the date of termination of the advertisement release: (ii) verify relevant certificates, check the contents of advertisements, and shall not provide design, production, agent or release services for advertisements with inconsistent content or incomplete certification documents; (iii) set up advertisement reviewers familiar with advertising laws and regulations or establish advertisement review agencies. The identity information includes names, unified social credit codes (identification card numbers), among other things. For the publication of advertisements for medical treatment, pharmaceuticals, medical devices, agricultural pesticides, veterinary drugs, healthcare food, special formula foods for medical purposes and other advertisements subject to the examination as required by laws, administrative rules and regulations, the advertisement examination authority shall, prior to publication, examine the contents of such advertisements; in the absence of such examination, such advertisements shall not be published.

On November 1, 2021, the MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Launching the Action for Improvements to the Perception of Information and Communications Services (《工業和信息化部關於開展信息通信服務感知提升行動的通知》), or the MIIT Notice. Under the MIIT Notice, internet enterprises shall set obvious and effective close buttons in the splash ads of their Apps. On September 9, 2022, the Administrative Provisions on Internet Pop-up Window Information Notification Services (《互聯網彈窗信息推送服務管理規定》) was issued by the CAC, MIIT and SAMR, effective from September 30, 2022, which requires that pop-up ads shall be subject to content compliance review and shall be identifiable, prominently marked as "advertisement," and users shall be notified expressly. Besides, pop-up ads shall be able to be closed with a single click.

REGULATIONS RELATING TO ONLINE GAMES

Regulatory Authorities

Pursuant to the Notice on Issuing the Provisions on the Main Functions, Internal Bodies and Staffing of the General Administration of Press and Publication (National Copyright Administration) (《關於印發〈國家新聞出版總署(國家版權局)主要職責內設機構和人員編製規定〉的通知》) promulgated by the General Office of the State Council on July 11, 2008, the Notice of the State Commission Office for Public Sector Reform on Interpretation of the State Commission Office for Public Sector Reform on Several Provisions relating to Animation, Online Game and Comprehensive Law Enforcement in Culture Market in the Three Provisions jointly promulgated by the MOC, the State Administration of Radio, Film and Television and the GAPP (《中央機構編製委員會辦公室關於印發《中央編辦對文化部、廣電總局、新聞出版總署〈"三定"規定〉中有關動漫、網絡遊戲和文化市場綜合執法的部分條文的解釋》的通知》) on September 7, 2009, the Notice on Issuing the Provisions on the Main Functions, Internal Bodies and Staffing of the State Administration of Press, Publication, Radio, Film and Television promulgated by the General Office of the State Council (《關於印發〈國家新聞出版廣電總局主要職責內設機構和人員編製規定〉的通知》) on July 11, 2013, and the Administrative Measures on Internet Publishing Services (《網絡出版服務管理規定》) (the "Internet Publishing Measures") promulgated by the SAPPRFT and the MIIT on February 4, 2016 that became effective on March 10, 2016, the administration of anime and online game shall be conducted by the MCT, and the GAPP is responsible for the examination and approval process of online games prior to online publication. After the online games uploaded on the internet, online games will be administered by the MCT. Moreover, if an online game is launched on the internet without the prior approval of the GAPP, the MCT will be responsible for guiding the cultural market law enforcement team to conduct investigation and punishment.

The Notice Regarding the Consistent Implementation of the "Stipulations on 'Three Provisions' of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games" (《關於貫徹落實國務院"'三定'規定"和中央編辦有關解釋，進一步加强網絡遊戲前置審批和進口網絡遊戲審批管理的通知》) also known as Circular 13, was jointly published by the GAPP, the National Copyright Administration and the National Office of Combating Pornography and Illegal Publications in 2009. Circular 13 expressly states that foreign investors are not permitted to participate in the

operation of online games via wholly owned, equity joint venture or cooperative joint venture investments in the PRC, and from controlling and participating in such businesses directly or indirectly through contractual or technical support arrangements.

According to the Institutional Reform Plans issued by the Central Committee of the Communist Party of China that became effective from March 21, 2018, the SAPPRFT was reformed and is now known as the NRTA under the State Council, and the responsibility of the SAPPRFT for administration of news, publication and films, such as the approval of online game registrations and issuance of game publication numbers has been transferred to the National Press and Publication Administration of the PRC (the "NPPA") under the Propaganda Department of the Central Committee of the Communist Party of China. The NPPA at the national level suspended the approval of game registration and issuance of publication numbers for online games since April 2018 and resumed to issue game publication numbers by batches periodically since December 2018. Beginning in December 2018, the NPPA at the national level started to approve new online games.

On May 14, 2019, the MCT issued the Notice on Adjusting the Scope of Examination and Approval regarding the Internet Culture Operation License to Further Regulate the Approval Work (《關於調整〈網絡文化經營許可證〉審批範圍進一步規範審批工作的通知》), which quotes the Regulations on the Function Configuration, Internal Institutions and Staffing of the MCT (《文化和旅遊部職能配置、內設機構和人員編制規定》) (the "Function Configuration Regulations"), effective on July 30, 2018, and further specifies that the MCT no longer assumes the responsibility for administering the industry of online games. On July 10, 2019, the MCT issued the Abolition Decisions on the Interim Administrative Measures for the Administration of Online Games and the Administrative Measures for Tourism Development Plan (《關於廢止〈網絡遊戲管理暫行辦法〉和〈旅遊發展規劃管理辦法〉的決定》) (the "Abolition Decision"), which provides that the MCT will no longer regulate the industry of online games.

As advised by the PRC Legal Advisers, the Internet Culture Operation License, which was used to be granted by the MCT in the abolished regulation regime, was no longer required following a consultation with the Department of Culture and Tourism of Guangdong Province (廣東省文化和旅遊廳) which confirmed that it is not necessary for an enterprise to obtain the Internet Culture Operation License to conduct online game operation business. For the same reason, our collaborating partners, such as co-developers and third-party publishers, were no longer required to possess the Internet Culture Operation License in order to cooperate with our Group. Further, during the Track Record Period, we did not receive any administrative sanctions in relation to the validity of our collaborating partners' Internet Culture Operation Licenses from the PRC government.

On December 22, 2023, the NPPA issued Draft Online Games Measures to solicit public opinions until January 22, 2024. The Draft Online Games Measures comprehensively standardize the establishment, administration and supervision of online game publishers and operators. As for the regulatory authorities, the NPPA is specified to be the functional authority for online games in China. Since the Draft Online Games Measures have been issued for the purpose of soliciting public opinions, uncertainties still exist in terms of the final content, time of adoption, effective

date or the relevant implementing rules. We will closely monitor the latest regulatory developments on the requirements of the Internet Culture Operation License, and strive to comply with any new applicable laws and regulations.

Online Game Publication

According to the Internet Publishing Measures, before publishing an online game, an online publishing service provider shall file an application with the competent provincial-level publishing administrative department where it is located, and the application, if reviewed and approved, shall be submitted to the NPPA for approval. The Notice of the General Office of the General Administration of Press, Publication, Radio, Film and Television on the Administration of Mobile Game Publishing Services (《國家新聞出版廣電總局辦公廳關於移動遊戲出版服務管理的通知》), which was issued on May 24, 2016, and became effective on July 1, 2016, provides that game publishing services providers shall be responsible for examining the contents of their games and applying for game publication numbers (遊戲出版物號), and for the purpose of this notice, the providers of online games publishing services shall refer to online publishing service entities that have obtained the Internet Publishing Service License with game publishing business included in their scope of business.

On December 12, 2023, NPPA issued the Draft Online Games Measures. Article 8 of the Draft Online Games Measures stipulate the entry standards for online games operating entities. To engage in online games business, issuing and trading of online games currencies and other related activities, online games operating entities shall meet a series of conditions and obtain the Internet Publishing Service License (網絡出版服務許可證) that specifies the scope of online games business, as approved by the provincial-level publication regulatory authorities in accordance with the laws and regulations. The conditions for online games operating entities to operate online games business include: (i) a definite entity name and charter; (ii) a fixed workplace; (iii) a definite domain name and platform for engaging in online games operations, such as intelligent terminal applications; (iv) a defined scope of online games operations; (v) requisite professional personnel, equipment, and management technical measures for engaging in online games operations. Related servers and storage devices shall be located in China; and (vi) other conditions stipulated by laws, administrative regulations, and national publication regulatory authorities.

Our Group's domestic business entities which provide online games services currently have definite entity names along with their charters and fixed workplaces. The primary scope of our online games operating business is to provide online games publishing services. During the service, we typically charge users for virtual items purchased within the online games, and we subsequently share a portion of the income with third-party game content providers. Our related servers and storage devices in connection with our provisions of online games publishing services are all located in China. We also plan to apply for the Internet Publishing Service License in accordance with the relevant provisions of the Draft Online Games Measures if such measures are adopted in current form. As advised by our PRC Legal Advisers, there is no material obstacle for us to obtain the Internet Publishing Service License. In addition, we possess the requisite professional personnel, equipment and management technical measures to engage in online games operating business. Therefore, we believe that we are able to meet all the conditions set forth in the Draft Online Games Measures for obtaining the Internet Publishing Service License if the measures are adopted in current form.

In addition to the requirement to obtain the Internet Publishing Service License, the Draft Online Games Measures also provide a series of requirements for online games publishing and operating entities to conduct their online games business in China, such as time limit for online games publishing and operating, and the display of the Internet Publishing Service License. According to Article 11 of the Draft Online Games Measures, online games publishing and operating entities shall only engage in activities within the scope of business approved by the relevant competent authorities and display the information of the Internet Publishing Service License prominently on their corporate websites, client terminal of the relevant products and user service centers. Furthermore, according to Article 12 of the Draft Online Games Measures, online games publishing and operating entities, upon receiving the approval for online games, shall organize the publication and operation of the relevant games within one year from the date of issuance of such approval. If the entities are unable to publish and operate within this period, they shall provide a written explanation to the provincial publication regulatory authorities in their operating jurisdictions in a timely manner. According to Article 15 of the Draft Online Games Measures, online games publishing and operating entities shall establish and enhance content management, set up content self-review systems, strengthen the self-inspection and management of publishing and operating activities in compliance with national standards and specific regulatory requirements, and shall ensure the legality and quality of online games contents. Moreover, according to Article 47 of the Draft Online Games Measures, online games publishing and operating entities shall submit an annual report to the provincial publication regulatory authorities in their operating jurisdictions.

Going forward, we will closely monitor the regulatory development and we expect to observe the above requirements if the Draft Online Games Measures are adopted in their current form. Given that (i) the revenue contribution from our online game publishing services to our total revenue was less than 2% during each year of the Track Record Period; and (ii) our business strategy for our online games publishing services mainly focuses on oversea markets, in the event that we fail to meet the requirements under the Draft Online Games Measures in a timely manner, and if the Draft Online Games Measures are adopted in their current form, our business, financial conditions and results of operations would not be materially and adversely impacted. However, there remain uncertainties regarding the further interpretation and implementation of the Draft Online Games Measures. As of the Latest Practicable Date, the Draft Online Games Measures were for the purpose of soliciting public opinions and have not been formally adopted.

Online Game Operations

According to the Interim Administrative Measures for Internet Games (《網絡遊戲管理暫行辦法》), issued by the MOC on June 3, 2010 and last amended on December 15, 2017, any entity engaging in online game operations must obtain an Internet Cultural Operation License(網絡文化經營許可證). On July 10, 2019, the MCT issued the Abolition Decision, which specifies that the Online Game Measures was abolished by the MCT on July 10, 2019. On August 19, 2019, the MCT issued the Announcement on Results of Regulatory Documents Clean-up (《文化和旅遊部關於行政規範性文件清理結果的公告》), which specifies that the Notice of the MCT on the Implementation of the Online Game was abolished. As a result, the MCT is no longer responsible for regulating the online game industry in the PRC and has ceased to grant or renew any Internet Cultural Operation License relating to game operations. The issued Internet Cultural Operation License relating to game operations, however, will remain valid until each of their original expiration dates.

On May 14, 2019, the General Office of the Ministry of Culture and Tourism released the Notice on Adjusting the Examination and Approval Scope of Internet Culture Operation License and Further Standardizing the Examination and Approval Work（關於調整《網絡文化經營許可證》審批範圍進一步規範審批工作的通知), which quotes the Regulations on the Function Configuration, Internal Institutions and Staffing of the MCT（《文化和旅遊部職能配置、內設機構和人員編制規定》) and further specifies that the MCT shall no longer assume the responsibility for administering the industry of online games and shall no longer approve and issue the Internet Culture Operation Licenses within the business scope of "operating online games via the internet", "operating online games via the internet (including the issuance of virtual currencies used for online games)" and "conducting trade of virtual currencies used for online games via the internet".

According to the Draft Online Games Measures issued by NPPA on December 22, 2023, enterprises engaged in online game operation, online game coin issuance and trading services and other online game business activities shall meet the statutory conditions, be approved by the competent provincial publishing department, and obtain the Internet Publishing Service License containing the business scope of online game operation. However, there exists uncertainties regarding the timetable for the enactment, the final content, interpretation and implementation of the Draft Online Games Measures, and we will closely monitor and follow any developments during the enactment process and strictly comply with any new applicable laws and regulations.

Virtual Currency

On February 15, 2007, the Notice on Further Strengthening Administration of Internet Cafes and Online Games（《關於進一步加強網吧及網絡遊戲管理工作的通知》) (the "Internet Cafes Notice") was jointly issued by the MOC, the PBOC and other governmental authorities, directs the PBOC to strengthen the administration of virtual currency in online games to avoid any adverse impact on the real economic and financial systems. The Internet Cafes Notice imposes strict limits on the total amount of virtual currency issued by online game operators and the amount purchased by individual players. The Internet Cafes Notice further provides that virtual currency should only be used to purchase virtual items and prohibits any resale of virtual currency.

On June 4, 2009, the MOC and the MOFCOM jointly issued the Notice on strengthening the management of virtual currency for online games（《關於加強網絡遊戲虛擬貨幣管理工作的通知》) (the "Virtual Currency Notice"), which broadly defined virtual currency as a type of virtual exchange instrument issued by internet game operation enterprises, purchased directly or indirectly by the game user by exchanging legal currency at a certain exchange rate, saved outside the game programs, stored in servers provided by the internet game operation enterprises in electronic record format and represented by specific numeric units. Virtual currency is used to exchange internet game services provided by the issuing enterprise for a designated extent and time, and is represented by several forms, such as online prepaid game cards, prepaid amounts or internet game points, and does not include game props obtained from playing online games. The Virtual Currency Notice also states that online game operators are also not allowed to give out virtual items or virtual currency through lottery-base activities, such as lucky draws, betting or random computer sampling, in exchange for players' cash or virtual money.

According to the Notice on Regulating the Operations of Online Games and Strengthening Interim and Ex Post Regulation (《關於規範網絡遊戲運營加强事中事後監管工作的通知》) (the "Interim and Ex Post Supervision Notice") promulgated by the MOC on December 1, 2016 that became effective on May 1, 2017, the virtual items, purchased by users directly with legal tender, by using the virtual currencies of online games or by exchanging the virtual currencies of online games according to a certain percentage and enabling users to directly exchange for other virtual items or value-added service functions in online games, shall be regulated pursuant to the provisions on virtual currencies of online games. Online game operators shall not provide users with services to exchange virtual currencies into legal currency. Where it provides users with the option to exchange virtual currencies into physical items of minor value, the contents and value of such physical items shall be in compliance with relevant laws and regulations of the State. However, the Interim and Ex Post Supervision Notice has been abolished by the MCT on August 19, 2019.

The Draft Online Games Measures issued by the NPPA on December 22, 2023 regulates the distribution and trading of online game coins and virtual props. On the one hand, the Draft Online Games Measures regulates the financial nature of online game virtual assets and regulates the trading activities of virtual assets; on the other hand, the flow of funds shall be supervised in the form of digital Renminbi, and service providers engaging in online game coin trading shall be required to take technical measures to effectively supervise the trading process and timely report the same to the regulatory authorities, so as to prevent money laundering or relevant illegal operations. However, there remain uncertainties regarding the further interpretation and implementation of the Draft Online Games Measures. As of the Latest Practicable Date, the Draft Online Games Measures were for the purpose of soliciting public opinions and have not been formally adopted.

Anti-addiction System and Protection of Minors

In April 2007, the GAPP and several other government agencies issued a circular requiring the implementation of an anti-addiction system and a real-name registration system by all PRC online game operators to curb addictive online game playing by minors. To identify whether a game player is a minor and thus subject to the anti-addiction system, a real-name registration system must be adopted to require online game players to register with their real identity information before playing online games. The online game operators are also required to submit the identity information of game players to the public security authority for verification. Under the anti-addition system, three hours or less of continuous play by minors is considered to be "healthy", three to five hours to be "fatiguing", and five hours or more to be "unhealthy". Game operators are required to reduce the value of in-game benefits to a game player by half if the game player has reached "fatiguing" level, and to zero in the case of "unhealthy" level.

In January 2011, the MOC, together with several other government agencies, jointly issued a Circular on Printing and Distributing Implementation Scheme regarding Parental Guardianship Project for Minors Playing Online Games (《關於印發〈"網絡遊戲未成年人家長監護工程"實施方案〉的通知》) to strengthen the administration of online games and protect the legitimate rights and interests of minors. This circular requires that online game operators must have person in charge, set up specific service webpages and publish specific hotlines to provide parents with necessary

assistance to prevent or restrict minors' improper game playing behavior, and must suspend the account of a minor if requested by the minor's parents or guardians. The monitoring system was formally implemented on March 1, 2011.

The Notice on Initializing the Verification of Real-name Registration for Anti-Addiction System on Internet Games (《關於啓動網絡遊戲防沉迷實名驗證工作的通知》), issued by the General Administration of Press and Publication, the MIIT, the Ministry of Education and five other governmental authorities in July 2011, indicates that the National Citizen Identity Information Center of the Ministry of Public Security will verify identity information of game players submitted by online game operators, and imposes stringent penalties on online game operators that do not implement the required Anti-Addiction and real-name registration measures properly and effectively. Its main focus is to prevent minors from using an adult ID to play internet games. The operation of an online game may be terminated if the operator is found to be in violation of this notice.

On February 5, 2013, the Work Plan for the Integrated Prevention of Minors' Online Game Addiction (《未成年人網絡遊戲成癮綜合防治工程工作方案》) (the "Work Plan"), jointly issued by the GAPP, the MOE, the MOC, the MIIT and 11 other PRC government authorities implemented the integrated measures by different authorities to prevent minors from becoming addicted to online games. Under the Work Plan, the current relevant regulations regarding online games will be further clarified and additional implementation rules will be issued, and as a result, online game operators will be required to implement additional measures to protect minors.

On October 25, 2019, the GAPP issued the Notice on Preventing Minor's Addiction to Online Games (《關於防止未成年人沉迷網絡遊戲的通知》), which requires all online gamers to register accounts with their valid identity information and all game companies to stop providing game services to users who fail to do so. Furthermore, minors are prohibited from playing games exceeding a certain period of time per day or putting money into their accounts exceeding a certain amount.

On October 17, 2020, the SCNPC revised and promulgated the Law of the PRC on the Protection of Minors (2020 Revision) (《中華人民共和國未成年人保護法》), which became effective on June 1, 2021. Law of the PRC on the Protection of Minors (2020 Revision) added a new section entitled "Online Protections" which stipulates a series of provisions to further protect minors' interests on the internet, among others, (i) online product and service providers are prohibited from providing minors with products and services that would induce minors to indulge; (ii) online service providers for products and services such as gaming, live streaming, audio-video, and social networking are required to establish special management systems of user duration, access authority and consumption for minors; (iii) online gaming service providers must request minors to register and log into online games with their valid identity information; (iv) online gaming service providers must categorize games according to relevant rules and standards, notify users about the appropriate ages for the players of the games, and take technical measures to keep minors from accessing inappropriate games or gaming functions; and (v) online gaming service providers may not provide online game services to minors from 10:00 P.M. to 8:00 A.M. the next day. As of the Latest Practicable Date, we have adopted anti-addiction and real name registration systems.

On March 14, 2022, the CAC published the revised Regulations on the Online Protection of Minors (Draft for Comments) (《未成年人網絡保護條例(徵求意見稿)》) (the "Minor Protection Draft"), which was open for public consultations until April 13, 2022 and has not become effective as of the date of this document. The Minor Protection Draft sets out in detail the responsibilities of the online platforms, online product or service providers, personal information processors, and manufacturers and sellers of smart terminal products.

The Minor Protection Draft stipulates that (i) online products and service providers shall not provide minors with products and services that induce them to indulge; (ii) network products and service providers, such as online games, online live broadcast, online audio and video, and online social networking, shall take measures to establish special management systems for minors' use duration, access rights and consumption, among other things; (iii) the personal information processor shall follow the principles of legality, legitimacy and necessity when processing the personal information of minors online; and (iv) the Internet service providers shall take measures to reasonably limit the amount of a single consumption and the amount of a single day's accumulated consumption of minors in using Internet products and services, and shall not provide minors with paid services that are inconsistent with their civil capacity.

The Draft Online Games Measures issued by NPPA on December 22, 2023 further provide detailed measures for the protection of minors, specify the implementing bodies for the protection of minors (guardians of minors, competent authorities of publication, publishers and operators of online games, and all sectors of the society), and stipulate the corresponding responsibilities of the said bodies. Online game publishers and operators are required to assume the obligations of controlling game hours and consumption, establishing an addiction prevention system, verifying minors' identities and indicating the age appropriate.

However, there remain uncertainties regarding the further interpretation and implementation of the Minor Protection Draft and the Draft Online Games Measures. As of the Latest Practicable Date, both the Minor Protection Draft and the Draft Online Games Measures have not been formally adopted.

REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

PRC Cybersecurity and Data Security

On July 1, 2015, the SCNPC issued the National Security Law of the PRC ("National Security Law") (《中華人民共和國國家安全法》), which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet, information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC issued the PRC Cybersecurity Law, which came into effect on June 1, 2017. This is the first PRC law that focuses exclusively on cybersecurity. The PRC Cybersecurity Law provides that network operators must set up internal security management

systems that meets the requirements of a classified protection system for cybersecurity, including appointing dedicated cybersecurity personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, and taking data security measures such as data classification, backups and encryption. The PRC Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. Any violation of the provisions and requirements under the PRC 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, the CAC, the NDRC, the MIIT and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures, which provide that (i) network platform operators in possession of over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review when listing in a foreign country; (ii) operators of "critical information infrastructure" that intend to purchase network products and services that will or may affect national security shall apply for a cybersecurity review; and (iii) network platform operators carrying out data processing that will affect or may affect national security shall apply for a cybersecurity review. The Cybersecurity Review Measures became effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated in April 2020.

Cybersecurity Review Measures do not provide definition of "network platform operators". Based on Paragraph 9 of Article 73 of the Draft Data Security Regulations, "internet platform operators"（互聯網平臺運營者）refer to data processors that provide users with internet platform services such as information publishing, social networking, transactions, payment, and audio-visual services. Such definition contains two characteristics of a platform operator, namely, the use of a platform and the provision of specific services. Our Directors are of the view that, as advised by our PRC Legal Advisers relating to Data Compliance, as we operate Easou Reading App Series and provide online platform services for our users, although we may be considered as a network platform operator and are hence subject to the requirements of the Cybersecurity Review Measures , as advised by our PRC Legal Advisers relating to Data Compliance and our Directors are of the view that, the risk of us being required to apply for cybersecurity review in relation to our proposed **[REDACTED]** in Hong Kong pursuant to the Cybersecurity Review Measures is relatively low because: (i) despite the fact that we are considered as a network platform operator and possess personal information of more than one million users, our current application for the **[REDACTED]** does not constitute **[REDACTED]** according to the Basic Law of Hong Kong Special Administrative Region of the PRC, as Hong Kong is an inalienable part of the PRC; (ii) we have not received any notice or determination from the relevant government authorities or competent industry authorities identifying us as a critical information infrastructure operator; and (iii) according to Article 2 of National Security Law, national security refers to the condition in which the State power, sovereignty, unity and territorial integrity, people's welfare, sustainable economic and social development and other vital interests of the PRC shall face no relatively grave danger or encounter no relatively significant internal and external threats, as well as the capability to safeguard sustainable safety condition. Based on Article 31 of the Cybersecurity Law, the industries and sectors that may severely threaten the national security include energy, transport,

water conservancy, finance and e-governance, among others. The nature of our Group's business mainly includes the provision of online literature recommendation and digital marketing, and subject to further interpretations, is therefore less likely to affect or may affect national security. Moreover, the type of data processed by our Group mainly includes (i) user data that consist of users' nickname, profile photo, phone number, and (ii) behavior data such as search and browsing history, subscription and payment records of our users who purchase our reading with paid services and behavior habits for online literature for the provision of our business services. Specifically, behavior habits for online literature refer to encoded vector data extracted from user reading, subscription, payment and other behaviors. Therefore, it is less likely that such data being processed by our Group affects or may affect national security. Furthermore, according to our on-site interview conducted on October 27, 2022 with the Cyberspace Administration of Shenzhen, the competent local authority of the CAC, we are not required to apply for cybersecurity review in relation to our proposed **[REDACTED]** in Hong Kong.

On June 10, 2021, the SCNPC issued the PRC Data Security Law, which has taken effect on September 1, 2021. The PRC Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. Data processors shall establish and improve the whole-process data security management rules, organize and implement data security trainings as well as take appropriate technical measures and other necessary measures to protect data security. Any organizational or individual data processing activities that violate the PRC Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances.

On July 22, 2020, the Ministry of Public Security published the Guiding Opinions on the Implementation of Cybersecurity Hierarchical Protection System and Critical Information Infrastructure Security Protection System (《貫徹落實網絡安全等級保護制度和關鍵信息基礎設施安全保護制度的指導意見》), which requires, among others, to determine the cybersecurity protection level in a scientific manner based on the importance of network (including network facilities, information system, and data resources) in national security, economic construction, and social life, as well as factors such as the degree of harm after its destruction, and to implement hierarchical protection and supervision, with emphasis on ensuring the security of critical information infrastructure and networks at or above the third level.

On July 30, 2021, the State Council promulgated the Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021, referring "critical information infrastructures" as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people's livelihood, or public interests in the event of damage, loss of function, or data breach. Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》), which became effective on September 1, 2022. The Measures for the Security Assessment of Data Cross-border Transfer requires that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. On March 22, 2024, the CAC issued the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the "Cross-Border Data Flows Provisions"), which provides the following circumstances under which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of cross-border data transfer: (i) critical information infrastructure operators providing personal information or important data overseas; and (ii) data processors other than critical information infrastructure operators providing important data overseas, or cumulatively providing overseas personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of the current year. The Cross-Border Data Flows Provisions also provides that, where the data processors other than critical information infrastructure operators provide personal information (excluding sensitive personal information) overseas of not less than 100,000 but not more than one million individuals, or the sensitive personal information of not more than 10,000 individuals, cumulatively as of January 1 of the current year, it shall conclude a standard contract with overseas recipients or pass the authentication on personal information protection. Articles 3 to 6 of the Cross-Border Data Flows Provisions mainly provide the exemptions from applying for the security assessment or authentication, and filing the standard contracts. Exemptions include but are not limited to international trade, cross-border transportation, academic cooperation, transactional manufacturing, marketing and other activities that do not involve personal information or important data, among others. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

On December 31, 2021, the CAC published the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the "Algorithm Recommendation Provisions") on its website, which became effective on March 1, 2022 and raised certain new compliance requirements on internet information service providers using algorithm recommendation technology. Specifically, the Algorithm Recommendation Provisions require that such service providers shall provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services.

On November 14, 2021, the CAC published the Draft Data Security Regulations, which provides that data processors conducting the following activities must apply for cybersecurity review: (i) merger, reorganization, or division of internet platform operators that have acquired a large number of data resources related to national security, economic development, or public interests affects or may affect national security; (ii) a foreign listing by data processors processing over one million users' personal information; (iii) listing in Hong Kong that affects or may affect national security; or (iv) other data processing activities that affect or may affect national security. The CAC solicited comments until December 13, 2021, but there is no timetable as to when it will be enacted.

As advised by our PRC Legal Advisers relating to Data Compliance, the risk of us being required to apply for cybersecurity review in relation to our proposed **[REDACTED]** in Hong Kong pursuant to the Draft Data Security Regulations is relatively low mainly because: (i) despite the fact that we are considered as a network platform operator and possess personal information of more than one million users, our current application for the **[REDACTED]** does not constitute **[REDACTED]** according to the Basic Law of Hong Kong Special Administrative Region of the PRC, as Hong Kong is an inalienable part of the PRC; (ii) the nature of our Group's business mainly includes the provision of online reading platform services and digital marketing, and subject to further interpretations, is therefore less likely to affect or may affect national security; and (iii) the type of data processed by our Group mainly includes (a) users' nickname, profile photo, phone number, and (b) behavior data such as search and browsing history, subscription and payment records of our users who purchase our reading with paid services and behavior habits for provision of our business services. Specifically, behavior habits for online literature refer to encoded vector data extracted from user reading, subscription, payment and other behaviors. Therefore, it is less likely that such data being processed by our Group affects or may affect national security.

The Draft Data Security Regulations also stipulates that data processors processing personal information of more than one million users shall comply with the following requirements, including, but not limited to, (i) file with competent authorities within 15 working days after the identification of important data, (ii) carry out data security assessment and file the data assessment report with competent authorities on an annual basis, and (iii) obtain the approval from the competent authority in the event of sharing or entrusting important data to a third party under certain circumstances. Although as of the Latest Practicable Date, the Draft Data Security Regulations have not yet become effective and therefore, our obligations regarding data security shall be subject to the effective version, as advised by our PRC Legal Advisers relating to Data Compliance, we would be able to comply with the Draft Data Security Regulations if implemented in their current form, in all material aspects on the basis that: (i) we have implemented and maintained a comprehensive data protection regime to protect users privacy and ensure the security of users data, and have adopted necessary measures and policies to ensure our cybersecurity and data security; (ii) we have provided prior notices to individual users regarding the collection, usage, disclosure, storage, deletion of their personal information and displaying the privacy policy in a manner for the users to easily access; and (iii) during the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data security incidents or received any administrative penalty, fine or sanction regarding the Easou Reading App Series in relation to cybersecurity or data privacy or any cybersecurity review from the CAC, the CSRC or any other relevant government authorities.

Subject to the further interpretation of the Draft Data Security Regulations by the competent authorities, we may be required to make further adjustments to our business operations to comply with the effective version of the Draft Data Security Regulations in the future. We will continue to take necessary measures and will closely monitor the regulatory development and adjust our business operations from time to time. Thus, our Directors are of the view, and our PRC Legal Advisers relating to Data Compliance concur, that there is no material impediment for our Group to comply with the Draft Data Security Regulations, if implemented in their current form and the Cybersecurity Review Measures, and that the compliance with these regulations and measures would not have any material adverse impact on our business, financial condition, results of operations or the **[REDACTED]**. Based on the view and analysis of the Company and our PRC

LegalAdvisers relating to Data Compliance as well as due diligence conducted, nothing has come to the attention of the Sole Sponsor which would cause it to disagree with the Directors' view or question the reasonableness of their view.

Personal Information Protection

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

The PRC Cybersecurity Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users' personal information that they have collected, and are obligated to delete unlawfully collected information and to amend incorrect information. Moreover, internet operators may not provide users' personal information to others without consent. Exempted from these rules is information irreversibly processed to preclude identification of specific individuals. In addition, the PRC Cybersecurity Law imposes breach notification requirements that will apply to breaches involving personal information.

The Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), promulgated by the MIIT on December 29, 2011 that became effective on March 15, 2012, stipulates that internet information service providers must not, without user consent, collect user personal information, which is defined as user information that can be used alone or in combination with other information to identify the user, and may not provide any such information to third parties without prior user consent. Internet information service providers may only collect user personal information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information. In addition, an internet information service provider is also required to properly maintain users' personal information, and in case of any leak or likely leak of such information, it must take immediate remedial measures and, in the event of a serious leak, report to the telecommunications regulatory authority immediately.

On December 28, 2012, the SCNPC promulgated the Decision of the Standing Committee of the National People's Congress on Strengthening Online Information Protection (《全國人大常委會關於加強網絡信息保護的決定》) with immediate effect. On July 16, 2013, the MIIT issued the Order for the Protection of Telecommunications and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), which came into effect on September 1, 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 PRC Personal Information Protection Law, which became effective on November 1, 2021. According to the PRC 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. In addition, the PRC Personal Information Protection Law specifically specifies the rules for processing sensitive personal information, i.e., personal information that, once leaked or illegally used, may easily cause harm to the dignity of natural persons or grave harm to personal or property security, including information on biometric characteristics, financial accounts, individual location tracking, etc., as well as the personal information of minors under the age of 14. Entities processing personal information shall bear responsibility for their personal information processing activities and adopt the necessary measures to safeguard the security of the personal information they process. Otherwise, entities processing the personal information will be ordered to correct or suspend or terminate the provision of services, confiscation of illegal income, fines or other penalties.

On August 22, 2019, the CAC issued the Regulation on Cyber Protection of Children's Personal Information (《兒童個人信息網絡保護規定》), effective on October 1, 2019. Network operators are required to establish special policies and user agreements to protect children's personal information, and to appoint special personnel in charge of protecting children's personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children's guardians.

On February 4, 2015, the CAC promulgated the Provisions on the Administrative of Account Names of Internet Users (《互聯網用戶賬號名稱管理規定》), which became effective as of March 1, 2015, setting forth the authentication requirement for the real identity of internet users by requiring users to provide their real names during the registration process. On October 26, 2021, the CAC published the Provisions on the Administrative of Account Names Information of Internet Users (Draft for Comments) (《互聯網用戶賬號名稱信息管理規定(徵求意見稿)》) for public comments. Pursuant to these provisions, internet user account service platforms shall, among others, establish, improve and strictly implement account name information management system, information content security system, and personal information protection system, establish an account name information dynamic check patrol system for the verification of real identity information, improve their technical measures for purposes of account information legal compliance, and support account name authenticity checks. On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users (《互聯網用戶帳號信息管理規定》), which became effective on August 1, 2022. The obligations of internet-based information service providers include but not limited to: (i) authenticate the identity information of the users who apply for registration of relevant account and verify the account information submitted by users upon registration; and (ii) equip themselves with professional and technical capabilities appropriate to the scale of services.

Pursuant to the Eleventh Amendment to the Criminal Law (《中華人民共和國刑法修正案(十一)》) issued by the SCNPC on December 26, 2020 that became effective on March 1, 2021, any internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, Article 253 of the Criminal Law of the PRC (《中華人民共和國刑法》), and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), which was issued on May 8, 2017 and became effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

App Provisions

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security, and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》), which restates the requirement of legal collection and use of personal information, encourages app operators to conduct security certifications, and encourages search engines and APP stores to clearly mark and recommend those certified Apps.

On November 28, 2019, the CAC, the MIIT, the Ministry of Public Security 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 "failure to publish rules on the collection and usage of personal information", "failure to expressly state the purpose, manner and scope of the collection and usage of personal information", "collecting and using personal information without obtaining consents from users", "collecting personal information irrelevant to the services provided", "providing personal information to other parties without obtaining consent" and "failure to provide the function of deleting or correcting personal information as required by law or failure to publish the methods for complaints and reports or other information".

On July 22, 2020, the MIIT issued the Notice on Carrying out Special Rectification Actions in Depth against the Infringement on Users' Rights and Interests by Apps (《關於開展縱深推進APP侵害用戶權益專項整治行動的通知》) to urge app service providers, among others, to strengthen the protection of users' personal information in relation to the download and usage of Apps. In August 2020, the MIIT released a notice regarding the list of Apps that infringed on users' rights and

interests. We had not been subject to any investigation, inquiry, notice, warning or sanction in relation to cybersecurity or data privacy or cybersecurity review from the CAC, the CSRC or any other relevant government authority during the Track Record Period and up to the Latest Practicable Date. 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》) to further provide guidance over personal information security and privacy protection.

In addition to the regulations above, Apps are specially regulated by the Administrative Provisions on Mobile Internet Applications Information Services (Revised in 2022) (《移動互聯網應用程序信息服務管理規定(2022修訂)》) (the "APP Provisions"), promulgated by the CAC, last amended on June 14, 2022 and became effective on August 1, 2022. The APP Provisions set forth the relevant requirements on the APP information service providers and the APP Store service providers. The CAC and its local branches shall be responsible for the supervision and administration of nationwide and local APP information respectively.

App providers shall strictly fulfill their responsibilities of information security management, and perform the following duties: (i) conduct real identity information authentication based on mobile phone numbers, identity document numbers or unified social credit codes for users who apply for registration; (ii) be responsible for the results of the presentation of information content, shall not produce or disseminate illegal information, and shall consciously prevent and resist harmful information; (iii) not induce users to download Apps by means of false advertisement, bundled downloads, or other acts, or via machine or manual click farming and comment control, or by using illegal and harmful information; (iv) immediately take remedial measures, promptly notify users and report the same to the relevant competent authorities in accordance with regulations when an APP has risks such as security defects and vulnerabilities; (v) perform the obligation of ensuring data security, establish a sound whole-process data security management system, take technical measures to ensure data security and other security measures, strengthen risk monitoring, and shall not endanger national security or public interests, or damage the legitimate rights and interests of others when carrying out APP data processing activities; and (vi) formulate and disclose management rules, and sign service agreements with registered users to clarify the relevant rights and obligations of both parties.

REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

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

On August 17, 2021, the SAMR issued a discussion draft of Provisions on the Prohibition of Unfair Competition on the Internet (《禁止網絡不正當競爭行為規定(公開徵求意見稿)》), under which business operators should not use data or algorithms to hijack traffic or influence users' choices, or use technical means to illegally capture or use other business operators' data. Furthermore, business operators are not allowed to (i) fabricate or spread misleading information to damage the reputation of competitors, or (ii) employ marketing practices such as fake reviews or use coupons or "red envelopes" to entice positive ratings.

The Anti-Monopoly Law (《中華人民共和國反壟斷法》) promulgated by the SCNPC on August 30, 2007 that became effective on August 1, 2008, and most recently amended on June 24, 2022, and the Provisions on the Review of Concentrations of Undertakings promulgated by the SAMR on March 10, 2023 that became effective on April 15, 2023, require that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the SAMR before they can be completed. Where the participation in concentration of undertakings by way of foreign-funded merger and acquisition of domestic enterprises or any other method which involves national security, the examination of concentration of undertakings shall be carried out pursuant to the Anti-Monopoly Law and examination of national security shall be carried out pursuant to the relevant provisions of the State.

On February 7, 2021, the Anti-Monopoly Commission of the State Council published Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》) that specified the circumstances where an activity of an internet platform will be identified as monopolistic act as well as concentration filing procedures for business operators, including those involving variable interest entities.

REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

The PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) and the Regulations for the Implementation of the Law on Enterprise Income Tax (《中華人民共和國企業所得税法實施條例》), or collectively, the Enterprise Income Tax Laws, were promulgated on March 16, 2007 and December 6, 2007, respectively, and were most recently amended on December 29, 2018 and April 23, 2019. According to the Enterprise Income Tax Laws, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in the PRC in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within China. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside China, but have established institutions or premises in China, or have no such established institutions or premises but have income generated from inside the PRC. Under the Enterprise Income Tax Laws and relevant implementing regulations, a uniform enterprise income tax rate of 25% is applicable, except where tax incentive is granted to special industries and project. The Enterprise Income Tax Laws permit certain High and New Technology Enterprises, to enjoy a reduced 15% enterprise income tax rate subject to these High and New Technology Enterprises meeting certain qualification criteria and permit certain small low-profit enterprises to enjoy a reduced 20% enterprise income tax rate subject to certain conditions. According to the Rules for the Implementation of the Law of the

People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法實施細則》) promulgated by the State Council on February 6, 2016 and came into effect on the same date, taxpayers who enjoy tax reduction or exemption incentives shall, upon expiry of the tax reduction or exemption period, resume tax payment from the day following the expiry date. In the event of changes to the criteria for tax reduction or exemption, the taxpayer shall submit a report to the tax authorities within the tax declaration period. Taxpayers who no longer satisfy the criteria for tax reduction or exemption shall perform tax payment obligation pursuant to the law.

In addition, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

The Notice of the State Taxation Administration Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅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, promulgated on April 22, 2009, and amended on January 29, 2014, and December 29, 2017, sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. The Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》), or STA Bulletin 45, which was promulgated on July 27, 2011 that became effective on September 1, 2011 and last amended on June 15, 2018, further provides guidance on the implementation of STA Circular 82 and clarifies certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

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: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (iv) 50% or more of voting board members or senior executives habitually reside in China. According to STA Bulletin 45, when provided with a copy of the Chinese tax resident determination certificate from a resident Chinese controlled offshore incorporated enterprise, the payer should not withhold income tax when paying the Chinese-sourced dividends, interest, royalties, etc. to the PRC controlled offshore incorporated enterprise.

Circular 7 was issued on February 3, 2015, and most recently amended pursuant to the Announcement of the State Taxation Administration on Issues Concerning the Withholding of Enterprise Income Tax at Source on Non-PRC Resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》), which was issued on October 17, 2017, became effective on December 1, 2017 and last amended on June 15, 2018. Pursuant to Circular 7, further clarifies the

practice and procedure of the withholding of non-resident enterprise income tax. An "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if the arrangement does not have a reasonable commercial purpose and was established to avoid payment of PRC enterprise income tax. As a result, gains derived from an indirect transfer may be subject to PRC enterprise income tax. According to Circular 7, "PRC taxable assets" include assets attributed to an establishment or a place of business in China, unmovable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment or place of business, the relevant gain is to be regarded as effectively connected with the PRC establishment or a place of business 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 immovable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment or a place of business of a non-resident 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. There is uncertainty as to the implementation details of Circular 7.

Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Laws, 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 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稅和防止偷漏稅的安排》), 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.

Furthermore, pursuant to the Notice of the SAT on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated and effective on February 20, 2009 and became effective on the same date, all of the following requirements should be satisfied where a fiscal resident of the other party to the tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a PRC resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) owner's equity interests and voting shares of the PRC resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the PRC resident company directly owned by such a fiscal resident, at any time during the 12 months prior to the acquisition of the dividends, reaches a percentage specified in the tax agreement.

In addition, according to the Announcement of the State Taxation Administration on Issuing the Measures for Non-resident Taxpayers' Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》), promulgated by the SAT on October 14, 2019 that became effective on January 1, 2020, where a non-resident enterprise that receives dividends from a PRC resident enterprise

wishes to enjoy the favorable tax benefits under the convention treatment, it may be entitled to the convention treatment itself when filing a tax return or making a withholding declaration through a withholding agent, subject to the subsequent administration by the tax authorities.

Value-added Tax

The Provisional Regulations on Value-added Tax (《中華人民共和國增值税暫行條例》), which was promulgated on December 13, 1993, came into effect on January 1, 1994, last amended on November 19, 2017, and the Detailed Implementing Rules of the Provisional Regulations on Value-added Tax (《增值税暫行條例實施細則》), which was promulgated on December 18, 2008, and last amended on October 28, 2011 and came into effect on November 1, 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement labor services, sales of services, intangible assets, and immovable assets and importing goods in China shall pay a value-added tax. The State Council approved, and the STA and the MOF officially launched a pilot value-added tax reform program starting from January 1, 2012, or the Pilot Program, applicable to businesses in selected industries. Businesses in the Pilot Program would pay the value-added tax instead of business tax. On November 19, 2017, the State Council promulgated the Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax (《關於廢止〈中華人民共和國營業税暫行條例〉和修改〈中華人民共和國增值税暫行條例〉關的決定》), according to which, all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement labor services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of value-added tax. The value-added tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the value-added tax rate applicable to small-scale taxpayers is 3%. According to the Notice of the MOF and the STA on Adjusting Value added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), issued on April 4, 2018 that became effective on May 1, 2018, the tax rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. And the tax rates were further adjusted to 13% and 9%, respectively, in accordance with the Announcement of the MOF, the STA and the GAC on Deepening the Policies Related to Value-Added Tax Reform(《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》) which became effective on April 1, 2019.

Urban Maintenance and Construction Tax

In accordance with the Law of the People's Republic of China on Urban Maintenance and Construction Tax (《中華人民共和國城市維護建設税法》) which was promulgated by the Standing Committee of National People's Congress on August 11, 2020, and came into effect on September 1, 2021, and the Notice of the State Council on Extending the Urban Maintenance and Construction Tax and Educational Surcharges from Chinese to Foreign-funded Enterprises and Citizens (《國務院關於統一內外資企業和個人城市維護建設税和教育費附加制度的通知》), which was promulgated by the State Council on October 18, 2010 and became effective on December 1, 2010, entities and individuals which are subject to consumption tax, VAT and business tax shall pay urban maintenance and construction tax. The tax rate is 7% for a taxpayer who is domiciled in a downtown area, 5% for a taxpayer who is domiciled in a county or town, and 1% for a taxpayer who is domiciled outside a downtown area, county or town.

REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008, and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local branches. Payments for transactions that take place within China must be made in Renminbi. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad.

On July 4, 2014, the SAFE promulgated Circular 37 that regulates the relevant matters involving foreign exchange registration for round-trip investment. Under Circular 37, a PRC resident must register with the local SAFE counterpart before contributing assets or equity interests in an offshore special purpose vehicle, that is directly established or indirectly controlled by such PRC resident for the purpose of conducting investment or financing. In addition, following the initial registration, in the event of any major change in respect of the offshore special purpose vehicle, including, among other things, a change of offshore special purpose vehicle's PRC resident shareholder(s), the name of the offshore special purpose vehicle, terms of operation, or any increase or reduction of the offshore special purpose vehicle's capital, share transfer or swap, and merger or division, the PRC resident shall complete the change of foreign exchange registration procedures for offshore investment with the local SAFE counterpart.

According to the procedural guideline as attached to Circular 37, the principle of review has been changed to "the domestic individual resident shall only register the offshore special purpose vehicle directly established or controlled (first level)". At the same time, the SAFE has issued the Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment (《返程投資外匯管理所涉業務操作指引》) with respect to the procedures for SAFE registration under Circular 37, which became effective on July 4, 2014, as an attachment to Circular 37. Under the relevant rules, failure to comply with the registration procedures set out in Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations. PRC residents who hold any shares in the company from time to time are required to register with the SAFE in connection with their investments in the company.

On February 13, 2015, the SAFE promulgated Circular 13, which became effective on June 1, 2015. Pursuant to Circular 13, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment.

On March 30, 2015, the SAFE promulgated the Circular of the State Administration of Foreign Exchange on Reforming the Administration Measures on Conversion of Foreign Exchange Registered 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, which became effective on June 1, 2015, according to which the foreign exchange capital of foreign-invested enterprises must be subject to the Discretional Foreign Exchange Settlement, which 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 SAFE can adjust such proportion in due time based on the circumstances of international balance of payments.

The SAFE issued the Circular of the State Administration of Foreign Exchange 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》), or SAFE Circular 16, on June 9, 2016, which became effective on the same day. SAFE Circular 16 unifies the discretional foreign exchange settlement for all the domestic institutions, including FIEs, but excluding financial institutions. The discretional foreign exchange settlement refers to the foreign exchange receipts under the capital account which has been confirmed by the relevant polices subject to the discretional foreign exchange settlement (including foreign exchange capital, foreign loans and funds remitted from the proceeds from the overseas listing) can be settled at the banks based on the actual operational needs of the domestic institutions. The proportion of discretional foreign exchange settlement of the foreign exchange capital is temporarily determined as 100%. Furthermore, SAFE Circular 16 stipulates that the use of foreign exchange receipts of capital accounts by domestic institutions, including FIEs, shall follow the principles of authenticity and self-use within the business scope of enterprises.

On October 23, 2019, the SAFE promulgated the Circular of the State Administration of Foreign Exchange 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》), or SAFE Circular 28, which became effective on the same day. SAFE Circular 28 allows non-investment foreign invested enterprises to use their capital funds to make equity investments in China as long as such investments do not violate the currently effective Negative List and the target investment projects are genuine and in compliance with laws. In addition, SAFE Circular 28 stipulates that the qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt, and overseas listing for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

The PRC Copyright Law (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and its related Implementing Regulations (《中華人民共和國著作權法實施條例》) issued by the State

Council on August 2, 2002, last amended on January 30, 2013 and became effective on March 1, 2013, provide that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright holders can enjoy multiple rights, including but not limited to the right of publication, the right of authorship and the right of reproduction. As of the Latest Practicable Date, we had registered 183 software copyrights and five artwork copyrights in the PRC.

The Regulations on Protection of the Right to Network Dissemination of Information (《信息網絡傳播權保護條例》), which became effective on July 1, 2006 and was last amended on January 30, 2013, further provided that an internet information service provider may be held liable under various situations, including if it knows or should reasonably have known a copyright infringement through the internet and the service provider fails to take measures to remove or block or disconnects links to the relevant content, or, although not aware of the infringement, the internet information service provider fails to take such measures upon receipt of the copyright holder's notice of infringement.

In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, taking into effect on October 1, 1991 and amended on December 20, 2001, January 8, 2011 and January 30, 2013 (which amendment came into effect on March 1, 2013), respectively, the National Copyright Administration issued the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration. The National Copyright Administration of the PRC shall be the competent authority for the nationwide administration of software copyright registration and the Copyright Protection Center of China (the "CPCC"), is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants which conforms to the provisions of both the Computer Software Copyright Registration Measures and the Computer Software Protection Regulations (Revised in 2013).

Provisions of the Supreme People's Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》) promulgated by the Supreme People's Court on December 17, 2012, last amended on December 29, 2020 and came into effect on January 1, 2021, provides that web users or web service providers who create works, performances or audio-video products, for which others have the right of dissemination through information networks or are available on any information network without authorization shall be deemed to have infringed upon the right of dissemination through information networks.

The Notice on Launching "Jian Wang 2020" Special Program for Combating Online Infringement and Piracy (《關於開展打擊網絡侵權盜版"劍網2020"專項行動的通知》), jointly issued by NCA, the MIIT, the Ministry of Public Security and the CAC, which came into effect on June 12, 2020 includes carrying out special rectification of audio-visual works copyright and social platform copyright, and consolidating the achievements of copyright management in key areas,

including strengthening the rectification of the infringements such as plagiarism, adaptation and database copying in the knowledge sharing field and the copyright supervision over large-scale knowledge sharing platforms.

Trademark

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) which was promulgated on August 23, 1982, and last amended on April 23, 2019 and came into effect on November 1,2019 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) which was adopted by the State Council on August 3, 2002 and amended on April 29, 2014. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks.

The PRC Trademark Office of National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the PRC and grants a term of ten years to registered trademarks. A registration renewal application shall be filed within twelve months prior to the expiration of the term. As with trademarks, the PRC Trademark Law has adopted a "first to file" principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. As of the Latest Practicable Date, we had 117 registered trademarks in the PRC.

Patent

Patents are protected by the Patent Law of the PRC (《中華人民共和國專利法》) which was promulgated on March 12, 1984, amended on October 17, 2020 and effective on June 1, 2021, and its Implementation Rules (《中華人民共和國專利法實施細則》) last amended on January 9, 2010 by the State Council. A patentable invention or utility model must meet three conditions: novelty, inventiveness and practical applicability. The Patent Office under the National Intellectual Property Administration is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, and a fifteen-year term for a design, commencing from their respective application dates. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder. As of the Latest Practicable Date, we had registered 21 patents in the PRC.

Domain Names

Domain names are protected under the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017. 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. China Internet Network Information Center adopts the "first to file" principle with respect to the registration of domain names.

In accordance with the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), which was promulgated by the MIIT of the PRC on November 27, 2017 and became effective on January 1, 2018, the internet access service provider concerned shall check the real identity information of the domain name registrant via the Record-filing System, and shall not provide access services if the Internet-based information service provider fails to provide real identity information or the identity information provided is inaccurate or incomplete, with the exception of domain names that have been filed in the Record-filing System prior to the effectiveness of this Notice. As of the Latest Practicable Date, we have 43 domain names.

REGULATIONS RELATING TO LEASE

Pursuant to the Law of the People's Republic of China on the Administration of the Urban Real Estate (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019 and effective on January 1, 2020, in the lease of a house, the leaser and the lessee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the lease contract with the department of housing administration for the record. Pursuant to the Administrative Measures on Commodity Housing Leasing (《商品房屋租賃管理辦法》), issued by Ministry of Housing and Urban-Rural Development on December 1, 2010 that became effective on February 1, 2011, without the mentioned registration above, the leaser and the lessee may be imposed a fine by the development (real estate) department.

In accordance with the PRC Civil Code (《中華人民共和國民法典》), which was promulgated on May 28, 2020, effective on January 1, 2021, the lessee may, with consent of the lessor, sub-let the leased item to a third party. The leasing contract between the lessee and the lessor shall continue to be valid if the lessee sub-lets the leased item. In the event that the lessee sub-lets the leased item without consent of the lessor, the lessor may terminate the lease contract. In addition, any change of ownership to the lease item does not affect the validity of the lease contract.

REGULATIONS RELATING TO EMPLOYEE STOCK INCENTIVE PLAN OF OVERSEAS PUBLIC-LISTED COMPANY

On February 15, 2012, the SAFE promulgated the Notice of the SAFE on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "SAFE Circular 7"). Pursuant to SAFE Circular 7, employees, directors, supervisors, and other senior management participating in any equity incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency as regulated in SAFE Circular 7. In addition, Under

the Circular of the SAT on Issues Concerning Individual Income Tax in Relation to Equity Incentives (《國家税務總局關於股權激勵有關個人所得税問題的通知》), which was promulgated by the State Administration of Taxation on August 24, 2009, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for "wage and salary income" and stock option income, lawfully withhold and pay individual income tax on such income.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Regulations on Labor

According to the PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995, last amended and implemented on December 29, 2018, the PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was implemented by the SCNPC on June 29, 2007, implemented on January 1, 2008, amended on December 28, 2012 and implemented on July 1, 2013, and the PRC Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008 and implemented on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. With respect to a circumstance where a labor relationship has already been established but no formal contract has been made, a written labor contracts shall be entered into within one month from the date when the employee begins to work. Enterprises and institutions are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with the laws and regulations. In addition, wages cannot be lower than local minimum wage. Violations of the PRC Labor Law, the PRC Labor Contract Law and the PRC Implementation Regulations on Labor Contract Law may result in the imposition of fines and other administrative liabilities. Criminal liability may arise for serious violations.

Regulations on Social Insurance and Housing Fund

As required under the PRC Social Insurance Law (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, implemented on July 1, 2011, and subsequently amended and implemented on December 29, 2018, the Regulations of Insurance for Labor Injury (《工傷保險條例》), which was promulgated by the State Council on April 27, 2003, implemented on January 1, 2004, and subsequently amended on December 20, 2010 and implemented on January 1, 2011, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》), which was promulgated by the Ministry of Labor and Social Security on December 14, 1994 and implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance for Employees of Corporations of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》), which was promulgated by the State Council on July 16, 1997 and implemented on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which was promulgated by the State Council on December 14, 1998 and implemented on December 14, 1998, and the Unemployment Insurance Measures (《失業保險條例》), which was promulgated by the State Council on January 22, 1999 and implemented on January 22, 1999, enterprises are obliged to provide their employees in the PRC with welfare schemes covering labor injury insurance, maternity insurance, pension insurance,

medical insurance and unemployment insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the Regulations on the Management of Housing Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, implemented on April 3, 1999, last amended and implemented on March 24, 2019, enterprises must register at the competent managing center for housing funds and upon the examination by such managing center of housing funds, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

REGULATION RELATING TO M&A AND OVERSEAS LISTING

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, stipulated the scenarios that qualify as an acquisition of a domestic enterprise by a foreign investor. The M&A Rules purport, among other things, to require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. For further information, see "Risk Factors – Risks Relating to Doing Business in China – We may be subject to the approval or other requirements of the CSRC or other PRC government authorities in connection with our future capital raising activities."

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 became effective 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.

According to the 2021 Negative List, PRC domestic companies conducting businesses in areas prohibiting foreign investment under the 2021 Negative List must obtain approval from the relevant regulatory authorities before its overseas securities offering and listing. At a press conference held on January 18, 2022, the NDRC clarified that the foregoing approval requirement would only apply to direct overseas offerings by PRC domestic companies engaging in foreign-prohibited businesses, and that the 2021 Negative List supports domestic companies to choose international and domestic markets for financing in accordance with the law.

On December 24, 2021, the CSRC published the Draft Regulations on Overseas Listing for public comments until January 23, 2022. Pursuant to the Draft Regulations on Overseas Listing, Chinese domestic companies that seek to directly or indirectly issue or list their securities overseas shall file with CSRC certain required documents. On February 17, 2023, the CSRC, as approved by the State Council, released the Trial Measures, which became effective on March 31, 2023. The

Trial Measures, supported by the New Filing Rules, provide significant details on the regulatory requirements, on both substance and format, that the CSRC would apply in connection with the filing procedures. According to the Trial Measures, a domestic company that seeks to offer and list securities in overseas markets shall fulfill the filing procedure with the CSRC as per requirement of the Trial Measures, submit the relevant materials that contain a filing report and a legal opinion, and provide truthful, accurate and complete information on the shareholders, among other things. Furthermore, domestic companies refer to companies incorporated within the PRC, including domestic joint-stock companies whose securities are directly offered and listed overseas and the domestic operating entities of the companies whose securities are indirectly offered and listed overseas. Any overseas offering and listing made by an issuer that meets both of the following conditions will be determined as indirect overseas offering and listing that requires filing with the CSRC: (i) 50% or more of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by the Chinese domestic companies; and (ii) the key aspects of the issuer's business activities are conducted in the PRC, or its main places of operations are within the PRC, or the senior managers in charge of its operation and management are mostly Chinese citizens or domiciled in the PRC. The determination as to whether or not an overseas offering and listing by Chinese domestic companies is indirect, shall be made on a substance-over-form basis. Specifically, based on our audited consolidated financial statements for the most recent accounting year, the operating revenue, total profit, total assets or net assets of the Consolidated Affiliated Entities for the most recent accounting year amounted to over 50% of the relevant figures in our audited consolidated financial statements for the same year. In addition, the principal aspects of our business activities are conducted in mainland of China, and our principal business office is located in China. Substantially all of our senior management in charge of our business operation and management are Chinese citizens or domiciled in China. Therefore, we met the conditions for the CSRC filing requirement and the **[REDACTED]** will be determined as an indirect overseas **[REDACTED]** and **[REDACTED]** that requires filing with the CSRC under the Trial Measures. More specifically, a "domestic company" that seeks an initial public offering overseas, or a "domestic company" already listed overseas who seeks to list its securities in another overseas market, shall file the required documents with CSRC within three (3) business days after submitting the application documents for the foregoing transactions. As advised by our PRC Legal Advisers, since we met both conditions (i) and (ii) above, the **[REDACTED]** will be determined as an indirect overseas **[REDACTED]** and **[REDACTED]** that requires filing with the CSRC under the Trial Measures.

On the same day, the CSRC also held a press conference for the release of the Trial Measures and issued the New Filling Rules, which, among others, clarified that (i) on or prior to the effective date of the Trial Measures, domestic companies that have already submitted valid applications for overseas securities offering and listing but have not obtained approval from overseas regulatory authorities or stock exchanges may reasonably arrange the timing for submitting their filing applications with the CSRC, and must complete the filing before the completion of their overseas securities offering and listing; and (ii) a six-month transition period will be granted to domestic companies which, prior to the effective date of the Trial Measures, have already obtained the approval from overseas regulatory authorities or stock exchanges (such as the completion of hearing in the market of Hong Kong or the completion of registration in the market of the United States), but have not completed the indirect overseas listing. If such domestic companies fail to complete the overseas listing within such six-month transition period, they shall file with the CSRC according to the requirements.

We have already submitted valid applications for overseas securities **[REDACTED]** and **[REDACTED]** but have not obtained approval from overseas regulatory authorities prior to the effective date of the Trial Measures. Therefore, as of the date of this document, we are required to go through the filing procedures with the CSRC and obtain its approval with respect to the **[REDACTED]** after the submission of our application for the **[REDACTED]** to the Stock Exchange in accordance with the Trial Measures, which could take up to 20 business days after the CSRC has received all application documents that satisfy the requirements for its review and approval.

Considering that the Trial Measures and the New Filing Rules came into effect on March 31, 2023, as advised by our PRC Legal Advisers, we do not foresee any material impediment to the compliance with the Trial Measures and the New Filing Rules in all material aspects as of the Latest Practicable Date for the following reasons: (i) we do not fall within any of the circumstances specified in Article 8 of the Trial Measures in which overseas **[REDACTED]** and **[REDACTED]** are prohibited; (ii) the Contractual Arrangements that we adopt do not contravene the Administrative Provisions and the Filing Measures in any material aspects. As advised by our PRC Legal Advisers, based upon the verbal consultation with the relevant government authority and market practice, the adoption of the Contractual Arrangements is currently not prohibited by effective PRC laws and regulations. The content, execution and performance of the Contractual Arrangements do not constitute a violation of the relevant PRC laws and regulations. The rights and obligations under the Contractual Arrangements are legally binding on all parties; and (iii) there have not been any material non-compliance incidents occurring on us discovered in relation to our business operation, foreign investment, industry regulation, and data security in all material aspects under the PRC laws. Please see "Contractual Arrangements – PRC Laws and Regulations Relating To Foreign Ownership Restrictions" in this document for details.

As of the Latest Practicable Date, as advised by our PRC Legal Advisers, given that the Trial Measures and the New Filing Rules have been promulgated and came into effect in March 2023, we have taken comprehensive measures to ensure our compliance with the Trial Measures and New Filing Rules and were in the process of performing the relevant filing or information reporting procedures for the **[REDACTED]** under the New Filing Rules. We submitted the filing application to the CSRC on April 27, 2023 with respect to the submission of our application for the **[REDACTED]** to the Stock Exchange. We subsequently received comments from the CSRC on June 16, 2023 that required us to provide certain additional information, including information relating to the performance of the Contractual Arrangements. Except for the aforementioned comments, we confirm that we have not received any other inquiries, comments, instructions, guidance or other concerns from any PRC authorities (including the CSRC) with respect to the **[REDACTED]** or the Contractual Arrangements as of the Latest Practicable Date.