OVERVIEW

Our business in the PRC is subject to extensive supervision and regulatory control by the PRC government. This section sets out a summary of relevant laws and regulations that may have material impact on our business.

REGULATIONS ON CORPORATION

All companies established in the PRC are subject to the PRC Company Law (中華人民共和國公司法), which was promulgated by the SCNPC on December 29, 1993, implemented since July 1, 1994, and subsequently revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest amended PRC Company Law will come into effect on July 1, 2024. The main amendments in the PRC Company Law involve improving the company's establishment and exit system, optimizing the company's organizational structure, detailing exercise of shareholder rights, perfecting the company's capital system and strengthening the responsibilities of controlling shareholders and management personnel, etc. The PRC Company Law provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises. Where laws relating to foreign investment provide otherwise, such stipulations shall apply.

General Meeting

According to the Company Law, a general meeting of a company limited by shares shall be constituted by all the shareholders; the general meeting shall be the authority of the company and shall exercise duties and powers in accordance with the provisions of the Company Law.

A general meeting shall be convened once every year. An extraordinary general meeting shall be convened within two months in case of the certain events specified in the Company Law.

The Company Law has no specific provisions on the quorum of shareholders to attend the general meeting.

Under the Company Law, shareholders present at a general meeting have one vote for each share they hold, save that the company's shares held by the company are not entitled to any voting rights.

Under the Company Law, resolutions of the general meeting shall be passed by more than half of the voting rights held by shareholders (including those represented by proxy) attending the general meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case shall be passed by at least two-thirds of the voting rights held by the shareholders (including those represented by proxy) attending the general meeting.

Shareholders may entrust a representative to attend the general meeting, and the representative shall submit a power of attorney to the company and exercise the voting rights within the scope of the authorization.

Transfer of shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established stock exchange or in other ways stipulated by the State Council. Registered shares shall be transferred by means of an endorsement by the relevant shareholders or by any other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

Pursuant to the PRC Company Law, no modification of registration in the register of members caused by transfer of shares shall be carried out within 20 days prior to the convening of a shareholders' general meeting or within 5 days prior to the benchmark date set for determination of dividend distributions. However, where there are separate provisions by law on change of registration in the register of members of a [**REDACTED**] company, those provisions shall prevail.

Under the PRC Company Law, shares held by the promoters of a company shall not be transferred within one year after the date of the company's incorporation. Shares issued by a company prior to the [**REDACTED**] of its shares shall not be transferred within one year from the date of [**REDACTED**] of the shares of the company on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company each year during their term of office. They shall not transfer the shares they hold within one year from the date on which the company's shares are [**REDACTED**] and commence [**REDACTED**] on a stock exchange, nor within 6 months after their resignation from the company. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and senior management.

Variation of class rights

The Company Law has no specific provision relating to variation of class rights. However, the Company Law states that the State Council may formulate separate regulations on companies issuing other types of shares which are not provided in the Company Law.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the Second Session of the 13th NPC of the PRC passed and promulgated the Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the "FIL"), which came into force on January 1, 2020. The FIL further expands the opening up, promotes foreign investment and protects the legitimate rights and interests of foreign investors. According to the FIL, the foreign investment refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations ("Foreign Investors") in the PRC, including the following: (1) Foreign Investors establishing foreign-invested enterprises in the PRC alone or collectively with other investors; (2) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (3) Foreign Investors investing in new projects in the PRC alone or collectively with other investors; and (4) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. Foreign-invested enterprise refers to the enterprise that is wholly or partially invested by Foreign Investors and registered in the PRC under the PRC laws.

Foreign investments in various industries in the PRC shall be subject to the Catalog of Industries for Encouraged Foreign Investment (2022 Version) (鼓勵外商投資產業目錄(2022年版)) (the "Encouraged Catalog") which was promulgated on October 26, 2022 and implemented on January 1, 2023 and Special Administrative Measures for the Market Entry of Foreign Investment (2021 Version) (外商投資准入特別管理措施(負面清單)(2021年版)) (the "Negative List") which was promulgated on December 27, 2021 and implemented on January 1, 2022. According to the Encouraged Catalog and Negative List, foreign investment industries are classified into two categories, (1) industries in which foreign investments are encouraged by the Encouraged Catalog; and (2) industries in which foreign investments are restricted or prohibited by the Negative List. According to the Negative List, foreign equity share in a value-added telecommunication business shall not exceed 50% (excluding e-commerce, domestic multi-party communication, store-and-forward, and call center).

The State adopts the administrative system of pre-establishment national treatment and Negative List for foreign investment. A Foreign Investor shall not invest in any field prohibited from foreign investment under the Negative List. A Foreign Investor shall meet the investment conditions stipulated under the Negative List for any restricted fields under the Negative List. For fields not mentioned in the Negative List, domestic and foreign investments shall be treated equally. For foreign investment, the State established a foreign investment information reporting system. Foreign Investors or foreign-invested enterprises shall submit investment information to the competent commerce authorities through the enterprise registration system and the enterprise credit information publicity system.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATION SERVICES

License for Value-added Telecommunications Services

According to the Telecommunications Regulation of the PRC (中華人民共和國電信條例), which was enacted on September 25, 2000 and recently amended on February 6, 2016, and the Administrative Measures for the Licensing of Telecommunications Business (電信業務經營許可管理辦法) (the "Telecom Licensing Measures"), which was promulgated on March 5, 2009, latest amended on July 3, 2017 and took effect on September 1, 2017, the telecommunication business may be operated only after a business permit has been obtained from the telecommunication administrative department according to the law. Telecommunications services are divided into basic telecommunications services and value-added telecommunications services. Value-added telecommunications services are defined as the services of providing telecommunications and information services by utilization of public network infrastructures.

According to the Telecommunications Business Classification Catalog (2015 version) (電信業務分類目錄(2015年版)) which came into force on March 1, 2016 and was amended on June 6, 2019 by MIIT, "B25 Information Services" under category "B Value-added Telecommunications Services" refer to the information services provided for users via the public communication network or the internet and by the information collection, development, processing and construction of information platforms. By technical service methods of information organization, transmission, etc., information services are classified into information release platforms and transmission services, information retrieval and inquiry services, information community platform services, instant information interaction services as well as information protection and processing services, etc.

Foreign Investment in Valued-Added Telecommunications Business

Foreign direct investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定), which was promulgated by the State Council on December 11, 2001 and amended on September 10, 2008, February 6, 2016 and March 29, 2022. The Regulations for the Administration of Foreign-Invested Telecommunications Enterprises requires foreign-invested value-added telecommunications enterprises in China to be established as sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise. In July 2006, the Ministry of Information Industry (the "MII"), the predecessor of the MIIT, released the Notice on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (信息產業部關於加強外商投資經營增值電信業務管理的通知) (the "MII Notice"), pursuant to which, domestic telecommunications enterprises are prohibited to rent, transfer or sell a telecommunications business operation license to foreign investors in any form, or provide any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China. In addition, under the MII Notice, the Internet domain names and registered trademarks used by a foreign-invested value-added telecommunication service operator shall be legally owned by that operator (or its shareholders).

Internet Information Services

According to the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法) (the "Internet Measures"), which was promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, internet information services are categorized as either commercial or non-commercial services. The commercial internet information services are subject to a permit system while the non-commercial internet information services to a record-filing system. Entities engaged in providing commercial internet information services shall apply for a license for value-added telecommunication services of internet information services with the competent telecom administrative authority or State Council's department in charge of information industry. As for the operation of non-commercial internet information services, only a filing with the competent telecom administrative authority or State Council's department in charge of information industry is required.

Mobile Internet Applications Information Services

In addition to the Internet Measures above, mobile internet applications are specifically regulated by the Administrative Provisions on Mobile Internet Application Information Services (移動互聯網應用程序信息服務管理規定) (the "Mobile Application Administrative Provisions"), which was promulgated by the Cyberspace Administration of the PRC (the "CAC") on June 28, 2016 and amended on June 14, 2022. Pursuant to the Mobile Application Administrative Provisions, application information service providers and application information distribution platforms shall obtain the relevant qualifications prescribed by laws and regulations, strictly implement their information security management responsibilities and carry out certain duties, including establishing and completing users' information security protection mechanism and information content inspection and management mechanism, and performing various obligations to protect minors online.

Furthermore, on December 16, 2016, the MIIT promulgated the Interim Measures on the Administration of Pre-Installation and Distribution of Applications for Mobile Smart Terminals (移動智能終端應用軟件預置和分發管理暫行規定) (the "Mobile Application Interim Measures"), which came into force on July 1, 2017. The Mobile Application Interim Measures requires that the internet information service providers must ensure that the content of the application are legal, users' rights are protected, and relevant information of the application are expressed clearly, and the mobile application, as well as its ancillary resource files, configuration files and user data, among others, can be uninstalled by the users on a convenient basis, unless it is a basic function software, which refers to a software that supports the normal operation of hardware and operating system of a mobile smart device.

REGULATIONS ON FINANCE AND TAXATION MANAGEMENT

Electronic invoice services

According to the Administrative Measures of the PRC on Invoices (中華人民共和國發票管理辦法), which was promulgated by the State Council on December 23, 1993 and amended on December 20, 2010, March 2, 2019 and July 20, 2023, invoices shall mean proof of receipt and payment issued and collected for purchase and sale of commodities, provision or acceptance of services and other business activities. In order to further promote the application and promotion of electronic invoices and support the development of China's digital economy, on February 6, 2023, the National Archives Administration of China, MOF, MOC and SAT promulgated the Guide to the Whole-Process Electronic Management of Electronic Invoices (電子發票全流程電子化管理指南). According to the Guide to Whole-Process Electronic Management of Electronic Invoices, electronic Invoices refer to the receipt and payment vouchers issued and received in data messages during the purchase and sale of commodities, provision or acceptance of services and other business activities. Electronic invoices are available in layout document format and non-layout document format, which can be downloaded and stored in electronic storage devices and circulated in the form of digital messages.

On March 21, 2017, in order to satisfy the needs of taxpayers in using electronic general invoice for VAT and promote the electronic general invoice for VAT, SAT promulgated the Guidelines of the State Administration of Taxation on Promotion of Electronic General Invoice for VAT (國家税務總局關於進一步做好增值税電子普通發票推行工作的指導意見). Pursuant to such guidelines, electronic invoice service platform shall be mainly based on self-established by taxpayers, or provided by third parties. Electronic invoice service platform shall provide the generation, printing, search, delivery and other basic services of the layout documents of electronic invoice free of charge. SAT is in charge of developing the unified technical standards and management system for the electronic invoice service platform, and build the tax supervision platform to carry out supervision and management to the service platform. The electronic invoice service platform shall observe the unified technical standards and management system. The technical plan and management plan for the platform development shall be filed with the state taxation authorities for record.

According to the Announcement of MOF, SAT, NDRC, SASAC, State Administration for Market Regulation and National Archives Administration on the Notice of Cracking down on Arbitrary Charges imposed by Third Parties in the Name of Tax and Fee Deductions (國家税務總局、國家發展改革委、財政部、國務院國有資產監督管理委員會、國家市場監督管理總局、國家檔案局關於堅決查處第三方涉税服務借減税降費巧立名目亂收費行為的通知) which was promulgated and became effective on April 4, 2019, third-party platforms for electronic invoices are required to go through record-filing of the names of operators, technical plans and management plans with provincial tax authorities. Where any operator fails to go through record-filing as required or fails to truthfully submit record-filing information, such operator shall be ordered to make correction within the specified time limit; if it fails to make correction within the time limit, it shall be prohibited from engaging in the services of third-party platforms for electronic invoices and subject to joint punishment imposed by relevant departments in accordance with laws and regulations.

Entrusted Levying

According to the Rules for the Implementation of the Law of the PRC on the Administration of Tax Collection (2016 Revision) (中華人民共和國稅收徵收管理法實施細則(2016修訂), which was promulgated by State Council and became effective on February 6, 2016, tax authorities may, in line with the principles of being conducive to taxation control and making it as easy as possible for taxpayers to pay tax and according to relevant provisions of the State, entrust related units or individuals with collection of sporadic, scattered, or outside-of-the-locality tax payment and shall issue to such units or individuals a certificate for tax collection. The entrusted units or individuals shall collect tax lawfully in the name of the tax authorities pursuant to the requirements as stipulated in the certificate, and taxpayers shall on no account refuse to pay tax. In case of refusal by any taxpayer, the entrusted unit or individual shall report without delay to the tax authorities.

According to the Administrative Measures on Entrusted Levying (委託代徵管理辦法), which was promulgated by SAT on May 10, 2013 and became effective on July 1, 2013, tax bureaus of county level and above may entrust relevant organizations and personnel to levy and collect tax on behalf of tax authorities from sporadic, scattered sources and outside of the locality pursuant to the laws and regulations. Tax authorities shall enter into an Agreement on Entrusted Levying with the entrusted levying party, specify matters relating to entrusted levying. Tax bureaus of county level and above may also enter into a written agreement on issuance of invoices on behalf with an entrusted levying party to entrust issuance of normal invoices by the entrusted levying party on behalf of the tax authorities. The main contents of the written agreement on issuance of invoices on behalf shall include the types of normal invoices to be issued on behalf, invoice recipients, contents and the relevant responsibilities.

REGULATIONS ON CREDIT REPORTING BUSINESS

According to the Regulation for the Administration of Credit Reporting Industry (徵信業管理條例), which was promulgated by the State Council on January 21, 2013 and became effective on March 15, 2013, and the Administrative Measures on Credit Agencies (徵信機構管理辦法) issued by the PBOC on November 15, 2013 and effective on December 20, 2013, "credit reporting business" and "credit reporting agency" was defined for the first time. According to the Regulation for the Administration of Credit Reporting Industry, "credit reporting business" means the activities of collecting, organizing, storing and processing "credit information" of individuals and enterprises, as well as providing such information to users, and a "credit reporting agency" refers to a duly established agency whose primary business is credit reporting.

The Regulation for the Administration of Credit Reporting Industry and the Administrative Measures on Credit Agencies stipulate that the establishment of a credit reporting agency to engage in enterprise credit reporting business shall go through record-filing with the local branch of the PBOC at a level higher than central sub-branches of provincial capitals (capitals of autonomous regions). Entities or individuals that engage in enterprise credit reporting business without completing record-filing of enterprise credit reporting agencies may be ordered to rectify within a specified time limit and may be subject to fines of RMB20,000 to RMB200,000 where correction is not made within the stipulated period and the directly responsible person in charge and other directly liable persons be given a warning and imposed a fine of not more than RMB10,000.

On September 27, 2021, the PBOC issued the Administrative Measures for Credit Reporting Business (徵信業務管理辦法), which became effective on January 1, 2022 (the "2021 Administrative Measures"). The 2021 Administrative Measures first time defined "credit information" as the basic information, lending information and other relevant information that is collected pursuant to the law, that serves financial and other activities and that is used to identify and determine the credit standings of enterprises and individuals, as well as any analysis and evaluation information generated based on the foregoing information. Institutions that have not completed record-filing of enterprise credit investigation agencies but have in effect engaged in credit reporting business before the implementation of the 2021 Administrative Measures shall complete compliance rectification within 18 months from the effective date of the 2021 Administrative Measures. Moreover, financial institutions shall not enter into commercial cooperation with entities which have not obtained legitimate credit reporting business licences for the access to credit reporting services. The collection of enterprise credit information shall be based on lawful purposes and shall not infringe upon trade secrets.

REGULATIONS ON INFORMATION SECURITY AND PRIVACY PROTECTION

Internet information in China is regulated and restricted from a national security standpoint.

The SCNPC, has enacted the Decisions on Maintaining Internet Security (關於維護互聯網安全的決定) on December 28, 2000, amended on August 27, 2009, which may subject violators to criminal punishment in China for any effort to: (1) gain improper entry into a computer or system of strategic importance; (2) disseminate politically disruptive information; (3) leak state secrets; (4) spread false commercial information; or (5) infringe intellectual property rights. The Ministry of Public Security of the PRC has promulgated the Administration Measures on the Security Protection of Computer Information Network with International Connections (計算機信息網絡國際聯網安全保護管理辦法) on December 16, 1997 and the State Council of the PRC has amended it on January 8, 2011 to prohibit use of the Internet in ways which, among other things, result in a leakage of state secrets or a spread of socially destabilizing content. If an Internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

According to the Administrative Measures for Hierarchical Protection of Information Security (信息安全等級保護管理辦法) promulgated by the Ministry of Public Security, the State Secrecy Bureau and the State Encryption Administration on June 22, 2007 and became effective on the same date, the security protection levels of information systems shall be divided into the following five tiers: Tier-1, meaning that after an information system is damaged, it will cause damage to the legitimate rights and interests of citizens, legal persons and other organizations, but will not harm national security, public order and public interests; Tier-2, meaning that after an information system is damaged, it will cause serious damage to the legitimate rights and interests of citizens, legal persons and other organizations, or will cause damage to public order and public interests, but will not harm national security; Tier-3, meaning that after an information system is damaged, it will cause serious damage to public order and public interests, or will cause damage to national security; Tier-4, meaning that after

an information system is damaged, it will cause extraordinarily serious damage to public order and public interests, or will cause serious damage to national security; and Tier-5, meaning that after an information system is damaged, it will cause extraordinarily serious damage to national security. The entity operating the information system of tier-2 or higher shall go through record-filing procedures with the public security organ at or above the level of cities with districts that is at its domicile. Public security organs that accept record-filing shall inspect the work of hierarchical protection of information security carried out by entities operating or using tier-3 or tier-4 information systems. Tier-3 information systems shall be subject to at least one inspection on a yearly basis, while tier-4 information systems shall be subject to at least one inspection every six months.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC, or the Cyber Security Law (中華人民共和國網絡安全法), which became effective on June 1, 2017. The Cyber Security Law requires network operators to comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. The Cyber Security Law further requires network operators to take all necessary measures in accordance with applicable laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Personal information and important business data collected and generated in the operation of key information infrastructures operators within the territory of the PRC shall be stored within the PRC.

On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the Ministry of Industry and Information Technology, the General Office of the Ministry of Public Security and the General Office of the SAMR promulgated the Identification Method of Illegal Collection and Use of Personal Information Through App (App違法違規收集使用個人信息行為認定方法), which provides guidance for the regulatory authorities to identify the illegal collection and use of personal information through mobile apps, and for the app operators to conduct self-examination and self-correction and for other participants to voluntarily monitor compliance.

On April 13, 2020, the CAC, the National Development and Reform Commission, the MIIT, among others, jointly promulgated the Cybersecurity Review Measures (網絡安全審查辦法) (the "Cybersecurity Review Measures 2020"), which became effective on June 1, 2020. The Cybersecurity Review Measures 2020 requires that where CIIOs purchase the network product or service, which affects or may affect national security, a cybersecurity review is required. On December 28, 2021, the CAC and 12 other government authorities revised the Cybersecurity Review Measures 2020, which replaced the Cybersecurity Review Measures 2020 and replaced into force on February 15, 2022. The revised Cybersecurity Review Measures 2022 provides that the relevant operators shall apply with the Cybersecurity Review Office of CAC for a cybersecurity review under the following circumstances: (1) CIIO purchasing network products and services and internet platform operators carrying out data processing activities, which affects or may affect national security, are subject to the regulatory scope; (2) the internet platform operators holding personal information of more than one million users seeking a [**REDACTED**] in a foreign country must file for the cybersecurity review; and (3) where members of the cybersecurity review working mechanism believe that

network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report as per the procedures to the Central Cyberspace Affairs Commission for approval, and then conduct the review in accordance with the Cybersecurity Review Measures.

Our Directors and our PRC Legal Advisor are of the view that the likelihood of our operations being classified as one that affects or may affect national security is relatively low. Detailed analysis as to whether the Group's business operations or the proposed [**REDACTED**] may give rise to national security risks based on the factors set out in Article 10 of the Cybersecurity Review Measures is set forth below.

Article 10 of the Cybersecurity Review Measures focuses on the following factors in the assessment of national security risks: (i) the risk that the use of products and services could bring about the illegal control of, interference with, or destruction of Critical Information Infrastructure (the "CII"); (ii) the harm to CII business continuity of product and service supply disruptions; (iii) the security, openness, transparency, and diversity of sources of products and services, the reliability of supply channels, as well as the risk of supply disruptions due to political, diplomatic, and trade factors; (iv) product and service providers' compliance with PRC laws, regulations, and department rules;(v) the risk that core data, important data or large amount of personal information being stolen, leaked, damaged, illegally used and illegally exported; (vi) the risk of CII, core data, important data, or large amount of personal information being affected, controlled, or maliciously used by foreign governments, as well as the risk of network information security, if a company goes public; and; (vii)other factors that could harm CII security, cybersecurity and data security.

Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "CII Regulations"), which was issued by the PRC State Council and came into effect on September 1, 2021, CIIOs refer to the operators of important network facilities and information systems of important industries and sectors, such as public communications and information services, energy, transport, water conservation, finance, public services, e-government, and science and technology industry for national defense, as well as other important network facilities and information systems that may significantly endanger national security, national economy and the people's livelihood and public interests if they are damaged or suffer from malfunctions, or if any leakage of data in relation thereto occurs. Competent authorities as well as the supervision and administrative authorities of the above-mentioned important industries and sectors are responsible for the security protection of CIIOs (the "CII Protection Work Departments"). The CII Protection Work Departments will establish the rules for the identification of CIIOs based on the particular situation of the industry and report such rules to the public security department of the PRC State Council for record. The CII Protection Work Departments are responsible for organizing the identification of CIIOs in their own industries and sectors in accordance with relevant identification rules and notifying the operators of the identification results. As of the Latest Practicable Date, we has not received any notification from CII Protection Work Departments regarding our identification as Critical Information Infrastructure ("CIIO") and therefore, our Directors and our PRC Legal Advisor are of the view that scenarios (i)-(iv) as set out in Article 10 of the Cybersecurity Review Measures focusing on purchasing network products or services as CIIO are not applicable to the Group.

In terms of scenario (v) and (vi) as set out in Article 10 of the Cybersecurity Review Measures, our Directors and our PRC Legal Advisor are of the view that the risks to trigger scenario (v) and (vi) are relatively low on the basis that: (i) as the compliance status of the Group disclosed in the section headed "Business–Data Protection" of the Document, it has implemented a comprehensive set of internal policies, procedures, and measures to ensure its cybersecurity and data protection compliance practice; (ii) during the Track Record Period and up to the Latest Practicable Date, the Group has not been subject to any material administrative penalties, mandatory rectifications, warning, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection; (iii) the core system of the Group has obtained National Information System Security Level III Protection Certification (國家信息系統安全等級保護三級證書); (iv) the Group has not been identified as a CIIO by relevant regulatory authorities; (v) [**REDACTED**] in Hong Kong is not [**REDACTED**] in a foreign country; (vi) as of the Latest Practicable Date, we had not received any notices or inquiries from relevant competent authorities relating to cybersecurity review procedures.

However, as advised by our PRC Legal Advisor, the interpretation and applicability of "important data", "core data" and "network information security" and other factors considered in scenario (vii) remains uncertain and subject to further clarification by the CAC or relevant regulatory authorities, and the CAC may initiate the cybersecurity review if such governmental authorities determine that any network products or services or data processing activities affect or may affect national security. Therefore, our PRC Legal Advisor cannot preclude the possibility that the cybersecurity review may apply to the Group.

The Data Security Law of the PRC (中華人民共和國數據安全法), promulgated by the SCNPC on June 10 2021, effective from September 1, 2021, stipulates that relevant entities carrying out data processing activities should comply with laws, regulations and codes of ethics, establish and improve the whole process data security management system in the process of data processing, strengthen risk monitoring, conduct regular risk assessments and report to the competent authorities. On December 29, 2011, the MIIT issued Several Provisions on Regulating the Market Order of Internet Information Services (規範互聯網信息服務市場秩序若干規定), effective from March 15, 2012, which provides that an Internet information service provider may not collect any user's personal information or provide any such information to third parties without such user's consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, Internet information service providers are required to, among others, (1) expressly inform the users of the method, content and purpose of the collection and processing of such users' personal information and may only collect such information necessary for the provision of its services; and (2) properly maintain the users' personal information, and in case of any leak or possible leak of a user's personal information, online service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法) (the "PIPL"), which became effective on November 1, 2021. The PIPL sets forth that the personal information of natural persons shall be protected by law, and no organization or individual may infringe upon the personal information rights and interests of natural persons. The processing of personal information shall have clear and reasonable purposes, be directly related to the purposes of processing, and be carried out in a way that has minimal impact on personal rights and interests. The collection of personal information shall be limited to the smallest scope necessary for achieving the purpose of processing, and personal information shall not be collected excessively. Personal information processors shall bear responsibility for their personal information processing activities, and adopt necessary measures to safeguard the security of the personal information they process. Otherwise, the personal information processors may be ordered to make correction or suspend or terminate the provision of services, or be imposed confiscation of illegal income, fines or other penalties.

On July 30, 2021, the state council promulgated the Regulations on 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. Pursuant to the Regulations on Protection of Critical Information Infrastructure, a critical information infrastructure refers to an important network facilities or information systems in important industries or fields such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, competent departments and administration departments of each important industry and field, or Protection Departments, shall be responsible to formulate determination rules and determine the critical information infrastructure operator in the respective important industry or field. The result of the determination of critical information infrastructure operator shall be informed to the operator, and notify the public security department of the State Council.

Pursuant to the Ninth Amendment to the Criminal Law of the PRC (中華人民共和國刑法修正案(九)), issued by the SCNPC in August 2015, which became effective in November 2015, any Internet service provider that fails to fulfill its obligations related to Internet information security administration as required under applicable laws and refuses to rectify upon orders shall be subject to criminal penalty. In addition, on May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate issued the Interpretations on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋) (the "Interpretations"), which became effective on June 1, 2017 and stipulates that the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

The Civil Code of the People's Republic of China (中華人民共和國民法典) (the "Civil Code", which issued on May 28, 2020 and came into effect on 1 January 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law, any organization or individual shall legally obtain personal information of others when necessary and ensure the safety of such information, and shall not unlawfully collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others. On November 14, 2021, the CAC published the Administrative Regulations of Cyber Data Security (Draft for Comments) (網絡數據安全管理條例(徵求意見稿)) (the "Draft Cyber Data Security Regulations"), for public comments, which provides that data processors conducting certain activities shall apply for cybersecurity review, among others, including: (1) merger, reorganization or division of online platform operators that have acquired a large amount of data related to national security, economic development or public interests affects or may affect national security; (2) foreign [**REDACTED**] of data processors processing over one million individuals' personal information; (3) data processors' [**REDACTED**] in Hong Kong which affects or may affect national security; or (4) other data processing activities that affect or may affect national security. The Draft Regulations on Network Data Security also provide that operators of large Internet platforms that set up headquarters, operation centers or R&D centers overseas shall report to the national cyberspace administration and competent authorities. However, as of the Latest Practicable Date, there have been no clarifications from the relevant authorities as to the standards for determining whether an activity "affects or may affect national security." In addition, the Draft Regulations on Network Data Security also requires that data processors processing important data or going public overseas shall conduct an annual data security self-assessment or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of CAC before January 31 each year. As of the date of this document, Draft Regulations on Network Data Security has not been formally adopted.

On July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfer (the "Security Assessment Measures") (數據出境安全評估辦法), which became effective on September 1, 2022. Such Security Assessment Measures require data processors to apply for a security assessment on data export in one of the following scenarios: (1) where a data processor provides important data abroad; (2) where a CIIO or a data processor who processes the personal information of one million or more individuals transfers such personal information abroad; (3) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (4) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

According to the PRC Labor Law (中華人民共和國勞動法) promulgated on July 5, 1994, became effective on January 1, 1995 and amended on August 27, 2009 and December 29, 2018, workers are entitled to fair employment, choice of occupation, labor remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare and certain other rights. Employers shall establish and improve their work safety and sanitation system, educate employees on safety and sanitation and provide employees with a working environment that meets the national work safety and sanitation standards.

The PRC Labor Contract Law (中華人民共和國勞動合同法) (the "Labor Contract Law") was promulgated on June 29, 2007, amended on December 28, 2012 and became effective on July 1, 2013, and its implementation regulations were implemented on September 18, 2008. According to the Labor Contract Law and its implementation regulations, labor contracts must be executed in writing to establish labor relationships between employers and employees. A labor contract shall include essential terms, such as the duration of the labor contract, work content and workplace, working hours and holiday, work remuneration, social insurance, labor protection and labor terms as well as prevention of occupational hazards. Employees who fulfill certain criteria, including having continuously worked for the same employer for 10 years or more, may demand that the employer execute an unfixed-term labor contract. Wages paid by employers may not be lower than the local minimum wage standard. Both employers and employees must perform their respective obligations stipulated in the labor contracts.

Social Insurance and Housing Provident Fund

Pursuant to the Interim Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated on January 22, 1999, and last revised on March 24, 2019, Decisions of the State Council on Modifying the Basic Endowment Insurance System for Enterprise Employees (國務院關於完善企業職工基本養老保險制度的決定) promulgated on December 3, 2005, Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (國務院關於建立城鎮職工基本醫療保險制度的決定) promulgated on December 14, 1998 the Regulations on Unemployment Insurance (失業保險條例) effective from January 22, 1999, Regulations on Work-Related Injury Insurance (工傷保險條例) promulgated on April 27, 2003 with effect from January 1, 2004, and latest amended on December 20, 2010, and the Interim Measures concerning the Maternity Insurance for Enterprise Employees (企業職工生育保險試行辦法) promulgated on December 14, 1994 with effect from January 1, 1995, employers are required to register with the competent social insurance authorities and provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance.

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法), which was promulgated on October 28, 2010, latest amended and became effective on December 29, 2018, all employees are required to participate in basic pension insurance, basic medical insurance schemes and unemployment insurance, which must be contributed by both the employers and the employees. All employees are required to participate in work-related injury insurance and maternity insurance schemes, which must be contributed by the employers. Employers are required to complete registrations with local social insurance authorities. Moreover, the employers must timely make all social insurance contributions. Except for mandatory exceptions such as force majeure, social insurance premiums may not be paid late, reduced or be exempted. Where an employer fails to make social insurance contributions in full and on time, the social insurance contribution collection agencies shall order it to make all or outstanding contributions within a specified period and impose a late payment fee at the rate of 0.05% per day from the date on which the contribution becomes due. If such employer fails to make the overdue contributions within such time limit, the relevant administrative department may impose a fine equivalent to one to three times the overdue amount.

Pursuant to the Administrative Regulations on Housing Provident Fund (住房公積金管理條例) effective from April 3, 1999, and latest amended on March 24, 2019, enterprises are required to register with the competent administrative centers of housing provident fund and open bank accounts for housing provident funds for their employees. Employers are also required to timely pay all housing fund contributions for their employees. Where an employer fails to submit and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit. Failing to do so at the expiration of the time limit will subject the employer to a fine of not less than RMB10,000 and up to RMB50,000. When an employer fails to pay housing provident fund due in full and in time, housing provident fund center is entitled to order it to rectify, failing to do so would result in enforcement exerted by the court.

REGULATIONS ON LEASING OF PROPERTY

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (商品房屋租賃管理辦法) issued by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and coming into force on February 1, 2011, within 30 days after the execution of the housing lease contract, parties to the leasing of housing shall handle the registration and filing procedure of the leasing of housing at the departments in charge of construction (real estate) of the governments in the municipality directly under the Central Government, city and county where the leased housing is located. In the event that parties to the leasing of housing fail to handle the registration and filing procedure of the leasing of housing, the department in charge of construction (real estate) of the people's government in the municipality directly under the Central Government, the cities or the counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

Furthermore, under any of the following circumstances, the properties shall not be let out: (1) illegal buildings; (2) buildings which do not comply with mandatory project construction standards such as safety, disaster prevention, etc.; (3) change of nature of property use which violates the provisions; or (4) any other circumstances for which leasing is prohibited as stipulated by laws and regulations. Persons who violate the provisions above shall be ordered by the development (real estate) department of the People's Governments of centrally-administered municipalities, municipalities or counties to make correction within a stipulated period; where there is no illegal income, a fine of not more than RMB5,000 may be imposed; where there is an illegal income, a fine ranging from one to three times the amount of illegal income may be imposed, subject to a maximum of RMB30,000.

According to the Civil Code (中華人民共和國民法典), the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid. Where the mortgaged property has been leased and the possession thereof has been transferred before the creation of mortgage, the original lease relations shall not be affected by the mortgage.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

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

The Trademark Office under the China National Intellectual Property Administration, handles trademark registrations and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office for record. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. 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.

The Patent Law

Pursuant to the Patent Law of the PRC (中華人民共和國專利法) latest amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021 and the Implementation Rules of The Patent Law of the PRC (中華人民共和國專利法實施細則) latest amended by the State Council on December 11, 2023 and came into effect on January 1, 2024, patents in China are divided into invention patent, utility patent and design patent. Invention patent refers to new technical solutions for a product, method or its improvement; utility patent refers to new technical solutions for the shape, structure or the combination of both shape and structure of a product, which is applicable for practical use; design patent refers to new designs of the shape, pattern or the combination of shape and pattern, or the combination of the color, the shape and pattern of a product with esthetic feeling and industrial application value. Invention patent shall be valid for 20 years from the date of application while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

The Patent Law of the PRC has been amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021. Compared with the valid Patent Law which was amended on December 27, 2008 and come into effect on October 1, 2009, the main changes of the Patent Law of the PRC (revised in 2020) are concentrated on the following aspects: (1) clarifying the incentive mechanism for inventor or designer relating to service inventions; (2) extending the duration of design patent; (3) establishing a new system of "open licensing" (開放許可); (4) improving the distribution of burden of proof in patent infringement cases; and (5) increasing the compensation for patent infringement.

The Copyright Law

Pursuant to the Copyright Law of the PRC (中華人民共和國著作權法) amended by the SCNPC on February 26, 2010 and came into effect on April 1, 2010, 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 created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction. The Copyright Law of the PRC has been amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021.

Pursuant to the Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法) promulgated by the National Copyright Administration on February 20, 2002 and the Regulations on Computers Software Protection (計算機軟件保護條例) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulations on Computers Software Protection.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (互聯網域名管理辦法) promulgated by the MIIT on August 24, 2017 and coming into effect on November 1, 2017, the establishment of any domain name root server and institution for operating domain name root servers, managing the registration of domain name and providing registration services in relation to domain name within the territory of China shall be subject to the approval of the MIIT or provincial, autonomous regional and municipal communications administration. The registration of domain name shall follow the principle of "first come, first served". The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet 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) promulgated by the MIIT on November 27, 2017 and coming into effect on January 1, 2018 specifies the obligation of anti-terrorism and maintaining network security of internet information service providers.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (中華人民共和國外匯管理條例) which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas entities and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

On December 26, 2014, SAFE issued the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), pursuant to which a domestic company shall, within 15 business days from the date of the end of its overseas [**REDACTED**], register the overseas [**REDACTED**] with the local branch office of SAFE at the place of its establishment; and the [**REDACTED**] from an overseas [**REDACTED**] of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the [**REDACTED**] shall be consistent with the content of the document and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《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》), which was promulgated by SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas [**REDACTED**]) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of SAFE in due time in accordance with international revenue and expenditure situations.

PRC LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was latest amended and came into effect on December 29, 2018, and the Implementation provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), enterprise income taxpayers shall include resident and non-resident enterprises. Resident enterprise refers to an enterprise that is established within China, or is established under the law of a foreign country (region) but whose actual institution of management is within China. Non-resident enterprise refers to an enterprise established under the law of a foreign country (region), whose actual institution of management is not within China but has offices or establishments within China; or which does not have any offices or establishments within China but has incomes sourced from China. A resident enterprise shall pay EIT on its income originating from both inside and outside the PRC at an EIT rate of 25%. Foreign invested enterprises in the PRC falls into the category of resident enterprises, which shall pay EIT for the income originated from domestic and overseas sources at an EIT rate of 25%. Qualified small low-profit enterprises are given the reduced enterprise income tax rate of 20%.

According to the Circular of MOF and SAT on Implementing the Inclusive Tax Deduction and Exemption Policies for Small and Micro Enterprises (《財政部、税務總局關於實施小微企業普惠性税收減免政策的通知》) promulgated on January 17, 2019, during January 1, 2019 to December 31, 2021, the annual taxable income of a small low-profit enterprise that is not more than 1 million RMB shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is more than 1 million RMB nor more than 3 million RMB shall be included in its taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%.

Enterprises that are recognized as high-tech enterprises in accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) are entitled to enjoy the preferential enterprise income tax rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise. The enterprise can re-apply for such recognition as a high-tech enterprise.

Value-added Tax

According to the Provisional Regulations of the PRC on Value-Added Tax (《中華人民共和國增值税暫行條例》) (the "Regulations on VAT"), which was promulgated by the State Council on December 13, 1993 and latest amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF of the PRC, came into effect on December 25, 1993 and latest amended on October 28, 2011, all the taxpayers engaged in sales of goods or provision of processing, repair and maintenance labor or import of goods in China shall be subject to value-added tax. Unless otherwise provided by laws, the value-added tax rate is: 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunication, construction, or immovable property leasing services, immovable property, transferring the rights to use land, or selling or importing specific goods; 0% for domestic entities and individuals selling services or intangible assets within the scope prescribed by the State Council across national borders; 6% for taxpayers selling services or intangible assets other than those mentioned above; 0% for exported goods, except as otherwise specified by the State Council.

Pursuant to Notice on Implementing the Pilot Reform for Transition from Business Tax to Value-added Tax Nationwide issued by the MOF and SAT (《關於全面推開營業税改徵增值税試點的通知》) promulgated on March 23, 2016, the pilot reform for the transition from business tax to VAT is implemented nationwide, and the building industry, real estate industry, financial industry and life service industry are included in such pilot, and the taxpayers in such industries are required to pay VAT instead of business tax.

According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (《關於簡併增值税税率有關政策的通知》), announced by the Ministry of Finance and the State Administration of Taxation on April 28, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% value-added tax rate shall be canceled. The scope of goods with 11% value-added tax rate and the provisions for deducting input tax are specified.

According to the Circular of the MOF and the State Taxation Administration on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was issued on April 4, 2018 and came into effect on May 1, 2018, where a tax payer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable reduced 17% and 11% tax rates are adjusted to be 16% and 10%, respectively. According to the Announcement of the MOF, the State Taxation Administration and the General Administration of Customers on Deepening Policies in relation to Value-added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) which was promulgated on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% are reduced to 13% and 9%, respectively.

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was latest amended on August 31, 2018 and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on December 18, 2018 (collectively, the "IIT Law"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. According to the Circular of MOF and the SAT on Issues Concerning Individual Income Tax Policies (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) promulgated on May 13, 1994, the income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise is exempt from individual income tax for the time being. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and MOF and SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by MOF and SAT.

Enterprise Investors

In accordance with the EIT Law, the rate of enterprise income tax shall be 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income has no actual connection with such establishment or premise in the PRC. The aforesaid income tax may be reduced pursuant to applicable treaties to avoid double taxation. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular of the SAT on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid by Chinese Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the SAT on November 6, 2008 further clarified that a PRC-resident enterprise shall withhold enterprise income tax at a rate of 10% on dividends for the year of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》) which was issued by the State Administration of Taxation on July 24, 2009, further provides that any PRC-resident enterprise that is [**REDACTED**] on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《國家税務總局關於〈內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排〉第五議定書》) effective on December 6, 2019 states that such provisions shall not apply to any arrangement or transactions made for the primary purpose of gaining such tax benefit. The application of the dividend clause of tax agreements is subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Taxation on Share Transfer

Value-Added Tax ("VAT") and Local Additional Tax

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (《關於全面推開營業税改徵增值税試點的通知》) ("Circular 36"), effective from May 1, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, entities and individuals engaged in sales of services within the PRC are subject to VAT and "sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempt from VAT upon transfer of financial products. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in the PRC, the holder may be required to pay the PRC VAT. However, in absence of explicit rules, there remains uncertainty in the interpretation and application of the foregoing rules as to whether the disposal of H Shares by non-PRC resident enterprises is subject to PRC VAT.

At the same time, VAT taxpayers are also subject to urban maintenance and construction tax, education surcharge and local education surcharge.

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to the individual income tax at a rate of 20%. Pursuant to the Circular of the MOF and the SAT on Declaring that Individual Income Tax Continues to be Exempted over Individual Income from Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of [**REDACTED**] enterprises continues to be exempted from individual income tax. In the latest IIT Law, the SAT has not explicitly stated whether it will continue to exempt individuals from income tax on income derived from the transfer of [**REDACTED**] shares.

However, on December 31, 2009, the MOF, SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), effective on December 31, 2009, which states that individuals' income from the transfer of [**REDACTED**] shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the

Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises [**REDACTED**] on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income has no actual connection with such establishment or premise. Such income tax for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. The withholding tax may be reduced or exempted pursuant to applicable treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) which was latest amended on January 8, 2011, and the Detailed Rules for Implementation of Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例施行細則》) effective on October 1, 1988, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC [**REDACTED**] companies shall not apply to the acquisition and disposal of H Shares by non-PRC [**REDACTED**] outside of the PRC.

PRC LAWS AND REGULATIONS RELATING TO ANTI-ESPIONAGE

For the purpose of strengthening counterespionage work, prevent, stop and punish espionage, safeguard national security, and protect people's interests, on November 1, 2014, SCNPC promulgated the Counterespionage Law of the PRC (中華人民共和國反間諜法) (the "Counterespionage Law") which was amended on April 26, 2023 and came into effect on July 1, 2023. According to the Counterespionage Law, espionage refers to any of the following acts: (1) any activity committed by an espionage organization or its agent or by any other person as instigated or funded by the aforesaid organization or agent, or by any domestic aforesaid organization or individual in collusion with the aforesaid organization or individual, which endangers national security; (2) joining an espionage organization or accepting a task assigned by an espionage organization or its agent, or defect to an espionage organization or its agent; (3) any activity relating to stealing, spying, buying or illegally providing state secrets, intelligence or other documents, data, materials or articles relating to national security or

interests, or instigating, luring, coercing or bribing any State staff member to turn traitor; (4) any activity of cyberattack, intrusion, interference, control or destruction, inter alia, against a state organ, secret-involved entity or critical information infrastructure, committed by aforementioned perpetrators in (1); (5) indicating the attack targets for enemies; and (6) other espionage activities. And national security authorities are the principal regulatory authorities and executive bodies in charge of counterespionage work.

Moreover, Counterespionage Law sets out that enterprises shall be responsible for their own counterespionage security precaution work to safeguard national security, particularly those key entities for counterespionage security precaution which are obligated to establish relevant internal risk management system and specify personnel's relevant responsibilities. During investigation into espionage, Internet service providers, telecommunications business operators and other persons shall render necessary supports and assistance to national security authorities.

As to espionage-related legal liabilities for enterprises, administrative penalties shall be imposed on the enterprise committing or assisting espionage, such as fines, confiscation of illegal gains, punishing the person directly in charge and other persons directly liable, and where necessary, ordering the enterprise to suspend or close its business, revoking its licenses, or rescinding the registration. There shall also be administrative penalties for enterprises which fail to fulfill their counterespionage security precaution obligations or malfunction as an assistant providing necessary supports to national security authorities in espionage investigation. Furthermore, the act of espionage constituting a crime shall subject the enterprise to criminal liabilities pursuant to relevant provisions under the Criminal Law of the PRC (中華人民共和國刑法). As confirmed by our Directors and our PRC Legal Advisor, as of the Latest Practicable Date, we had not received specifications or warnings, nor had we been subject to any investigation, fines or penalties in relation to any breach of anti-espionage laws and regulations.

RECENT DEVELOPMENT ON RULES RELATING TO OVERSEAS [REDACTED]

On 17 February 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Overseas Listing Trial Measures") and relevant five guidelines, which became effective on 31 March 2023. The Overseas Listing Trial Measures comprehensively improved and reformed the existing regulatory regime for overseas [**REDACTED**] of PRC domestic companies' securities and regulates both direct and indirect overseas [**REDACTED**] of PRC domestic companies' securities by adopting a filing-based regulatory regime.

Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to [**REDACTED**] securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas [**REDACTED**] is explicitly prohibited, if any of the following: (1) such securities [**REDACTED**] is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) the intended overseas securities

[**REDACTED**] may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) the domestic company intending to make the securities [**REDACTED**], or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company intending to make the securities [**REDACTED**] is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (5) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Where an issuer submits an application for [**REDACTED**] to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC within three business days upon the occurrence and public disclosure of any of the material events after an issuer has [**REDACTED**] securities in an overseas market, such as (1) change of control; (2) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (3) change of [**REDACTED**] status or transfer of [**REDACTED**] segment; and (4) voluntary or mandatory [**REDACTED**]. Where an issuer's main business undergoes material changes after overseas [**REDACTED**], and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes.

Furthermore, on February 24, 2023, the CSRC, together with certain other PRC governmental authorities, promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "Confidentiality and Archives Administration Provisions") (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定), which came into effect on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, PRC domestic companies that directly or indirectly conduct overseas [**REDACTED**], shall strictly abide by applicable PRC laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas [**REDACTED**] entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas [**REDACTED**]. In the event such documents or materials contain state secrets or working secrets of government agencies, the PRC domestic companies shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; in the event that such documents or materials, if leaked, will jeopardize national security or public interest, the PRC domestic companies shall strictly fulfill relevant procedures stipulated by applicable national regulations. The PRC domestic companies shall also provide a written statement of the specific state secrets and sensitive information provided when providing documents and materials to securities companies and securities service providers, and the securities companies and securities service providers shall properly retain such written statements for inspection.

Furthermore, the Confidentiality and Archives Administration Provisions also provide where overseas securities regulators and relevant competent overseas authorities request to inspect, investigate or collect evidence from PRC domestic companies concerning their overseas [**REDACTED**] or their securities firms and securities service providers that undertake securities business for such PRC domestic companies, such inspection, investigation and evidence collection must be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent authorities of the PRC government will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanism. Domestic companies, securities firms and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulators or competent overseas authority or providing documents and materials requested in such inspection and investigation.

REGULATIONS RELATING TO THE H SHARE [REDACTED]

According to the CSRC Pilot Program for the Deepening Reforms on Overseas Listing Systems and the "Full Circulation" of H Shares (《中國證監會深化境外上市制度改革開展H股「全流通」試點》) issued by the CSRC on December 29, 2017 and the Reply to the Press by the CSRC Spokesperson, Chang Depeng Regarding the Implementation of the "Full Circulation" Pilot Program of H Shares (《中國證監會新聞發言人常德鵬就開展H股「全流通」試點相關事宜答記者問》) issued by the CSRC on December 29, 2017 and approved by the State Council, the CSRC carried out the "Full Circulation" Pilot Program of H-share [**REDACTED**] Companies, which required enterprises involved in the pilot program to perform some procedures and meet the following four basic conditions:

(1) fulfilled the relevant legal provisions and policy requirements of foreign investment access, state-owned assets management, state security and industrial policy.

(2) their respective industries are in line with the development concept of innovative, coordinated, green, open and sharing, the development direction of the industrial policy of the state, as well as the national strategy of serving the real economy and supporting the "One Belt, One Road" construction, and they also have to be high-quality enterprises.

(3) the equity structures of existing shares are relatively simple and their respective market value will be not less than HK$1 billion.

(4) the corporate governance is standard, the internal decision-making procedures are in compliance with the laws, which can practicably and adequately protect shareholders' rights of knowledge, participation and voting.

According to the Guidance for Applying "Full Circulation" for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) issued by the CSRC on November 14, 2019, and the Reply to the Press by the CSRC Spokesperson regarding the Fully Implementation of the "Full Circulation" Reform of H Shares (《中國證監會新聞發言人就全面推開H股「全流通」改革答記者問》) issued by the CSRC on November 15, 2019, H Shares company can apply for "full circulation" alone or together with refinance abroad application. [**REDACTED**] corporation can apply for "full circulation" together with overseas [**REDACTED**]. Once being approved by the CSRC, shareholders of [**REDACTED**] shares shall change share registration according to the relevant rules of CSDC, as well as relevant rules of share registration and share [**REDACTED**] of HK market, and shall disclose information lawfully.