Our business operations are located in the PRC and are subject to extensive supervision and regulation by the PRC government. This section summarizes the principal laws, rules and regulations that may affect major aspects of our business.

REGULATIONS RELATED TO THE GOLD JEWELLERY INDUSTRY

Gold Production and Sales Qualification Requirements

According to the Decision of the State Council in Relation to the Cancellation of the Second Batch of Administrative Approval Items and Amendment to the Management Method of Certain Administrative Approval Items (《國務院關於取消第二批行政審批項目和改變一批行政審批項目管理方式的決定》) in 2003, China officially cancelled the approval system of the People's Bank of China (PBOC) for the production, processing and circulation of gold, including: (1) the gold purchase permit; (2) the approval of gold products production, processing and wholesale business; (3) the approval of gold supply; (4) the approval of gold products retail business.

REGULATIONS ON THE CONTROLLING OF THE IMPORT AND EXPORT OF GOLD AND GOLD PRODUCTS

Foreign trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "Foreign Trade Law") promulgated by the Standing Committee of the National People's Congress (SCNPC) on May 12, 1994 and amended on December 30, 2022, foreign trade operators are not required to register since December 30, 2022. The PRC government permits the free import and export of commodities and technologies, unless otherwise provided by laws and administrative regulations. Prior to December 30, 2022, under the pre-amended Foreign Trade Law, foreign trade operators engaged in the import and export of commodities or technologies shall apply for registration with the foreign trade authorities under the State Council or its delegated authorities for the record, unless otherwise provided by laws and administrative regulations and requirements of the foreign trade authorities under the State Council. If a foreign trade operator fails to register for the record in accordance with the provisions, the Customs Department shall not carry out customs clearance of imported or exported commodities.

Import and export licensing system for gold and gold products

According to the relevant provisions of the Administrative Regulations on Gold and Silver of the PRC (《中華人民共和國金銀管理條例》) and the Measures for the Administration of the Import and Export of Gold and Gold Products (《黃金及黃金製品進出口管理辦法》), a permit system is in force for the import and export of gold and gold products (gold refers to unforged gold, and gold products refer to semi-manufactured gold and manufactured gold products, etc.). The PBOC may, in accordance with the needs of macroeconomic regulation and control of the State, grant restrictive approval on the quantity of gold and gold products to be imported and exported.

The PBOC, in cooperation with the General Administration of Customs, has formulated, adjusted and promulgated the Catalogue of Commodities for Management of Import and Export of Gold and Gold Products. When handling the import or export customs clearance for the gold and

gold products listed in the Catalogue of Commodities for Management of Import and Export of Gold and Gold Products, the PBOC Import and Export Permit for Gold and Gold Products issued by the PBOC and its branches shall be submitted to the Customs.

Customs Law

According to the Customs Law of the PRC (《中華人民共和國海關法》) adopted by the SCNPC on January 22, 1987, most recently amended on April 29, 2021 and effective from the same date, the Customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggages, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) adopted by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for one year, after the expiry re-application of recordation can be made.

REGULATIONS RELATED TO PRODUCTION

Regulations on production safety

Under relevant construction safety laws and regulations, including the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021, and effective on September 1, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets the national or industrial standards. During the Track Record Period and up to the Latest Practicable Date, the Company was not subject to penalties related to production safety.

Regulations on fire protection

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and recently amended on April 29, 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction

Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and effective on June 1, 2020, special construction projects that have failed to undergo fire safety acceptance inspection or failed to pass fire safety acceptance inspection are prohibited from putting into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be ceased to use. During the Track Record Period and up to the Latest Practicable Date, the Company was not subject to penalties related to fire protection.

REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

Environmental Protection Law

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "Environmental Protection Law"), was promulgated and effective on December 26, 1989, and most recently revised on April 24, 2014. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, in addition to other applicable laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Such installations shall not be dismantled or left idle without authorization from the competent government agencies.

Consequences of violations of the Environmental Protection Law include warnings, fines, rectification within a time limit, forced shutdown, or criminal punishment. During the Track Record Period and up to the Latest Practicable Date, the Company was not subject to penalties related to environmental protection.

Laws on Environment Impact Assessment

Pursuant to the Environment Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and most recently amended on December 29, 2018, the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the Environmental Impact Registration Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of the environmental impacts; and (iii) for projects with very

small environmental impacts, an EIS is not required but an Environmental Impact Registration Form shall be completed. Unless otherwise stipulated by laws and regulations, construction enterprises that are required to compile an EIR or EIS shall accept the environmental protection facilities upon completion of the construction project. When the environmental protection facilities of a construction project pass the inspection and acceptance, the construction project can be formally put into production or use.

REGULATIONS RELATED TO COMMERCIAL FRANCHISED OPERATION

Franchised operation is subject to the supervision and administration of the Ministry of Commerce and its local competent commercial departments. These activities are currently regulated by the Administrative Regulations on Commercial Franchised Operation (《商業特許經營管理條例》) promulgated by the State Council on February 6, 2007 and implemented from May 1, 2007, which was supplemented by the Administrative Measures for the Record-filing of Commercial Franchised Operation (《商業特許經營備案管理辦法》) issued by the Ministry of Commerce on April 30, 2007 and most recently amended on December 12, 2011 and effective from February 1, 2012 and the Administrative Measures for the Information Disclosure of Commercial Franchised Operation (《商業特許經營信息披露管理辦法》) issued by the Ministry of Commerce on April 30, 2007, and most recently amended on February 23, 2012 and effective from April 1, 2012.

According to the above-mentioned applicable regulations, franchisers may engage in franchised operation activities on conditions that they shall have a mature operation model and be capable of providing continuous operation guidance and training services for franchisees, as well as owning at least two direct-sale stores in China with the operation period being more than one year. Where franchisers fail to conduct franchised activities in accordance with the above provisions, punishment may be imposed, such as confiscating the illegal proceeds and imposing a fine of above RMB100,000 but less than RMB500,000, and an announcement will be made by the Ministry of Commerce or the local competent department of commerce. The franchise contract shall specify certain necessary provisions concerning terms, the right to terminate and payment.

Franchisers shall submit the business license, draft of the franchise contract and other documents to the provincial competent commercial department where they are registered within 15 days from the date of the initial signing of the franchise contract with franchisees within China. Where a franchiser engages in franchised activities within the scope of two or more provincial areas, it shall file with the Ministry of Commerce. Filing shall be performed by the franchisers complying with the above applicable regulations through the information management system for commercial franchised operation established by the Ministry of Commerce in accordance with the provisions of the Measures. In addition, franchisers shall file with the commercial department concerning the execution, cancellation, renewal and amendment of franchise agreements before March 31 of every year.

In case of any changes to franchisers' filing information, such changes shall also be filed with the relevant commercial department after occurrence. Where franchisers fail to file in accordance with such regulations, relevant commercial departments may order the franchiser to file within a

stipulated period and impose a fine of more than RMB10,000 but less than RMB50,000. Failure to file within the stipulated period may render a fine of more than RMB50,000 but less than RMB100,000, and an public announcement.

LAWS IN RELATION TO PRODUCT QUALITY AND CONSUMER PROTECTION

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and latest amended on December 29, 2018 by the SCNPC, the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

Under the Civil Code of the People's Republic of China (the "**Civil Code**", effective from January 1, 2021) adopted by the SCNPC on May 28, 2020, a manufacturer or a commercial seller is subject to liability for physical injury or property loss caused by the product defects. The aggrieved party may seek compensation from the manufacturer or the commercial seller. Where the aggrieved party seeks compensation from the commercial seller, the commercial seller have the right to make a claim against the liable manufacturer after it has made compensation.

The Protection of the Rights and Interests of Consumers Law of the PRC (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and was amended on August 27, 2009 and October 25, 2013 to protect consumers' rights when they purchase or use goods and accept services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to consumers. Under the amendments made on October 25, 2013, all business operators must pay high attention to protecting consumers' privacy and must strictly keep confidential any consumer information they obtain during their business operations.

REGULATIONS REGARDING THE SALE OF PRODUCTS

Laws related to anti-unfair competition

The Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, and effective from December 1, 1993, with the latest amendment taking effect on April 23, 2019, has established several measures to combat unfair competition and protect market order. These measures include prohibiting acts such as unfair prize promotions and dumping to exclude market competitors. According to the Anti-Unfair Competition Law of the PRC, operators are not allowed to bribe any employees of the counterpart units, any units or personnel entrusted by the counterpart, or influence the units or personnel of the counterpart to gain commercial opportunities or competitive advantages through their power. In addition, operators can openly pay discounts to the trading counterpart or commissions to intermediaries in their trading activities. When giving discount to a transaction counterparty or paying commission to an intermediary, the operators shall record the discount or commission in its accounts truthfully. Operators who receive discount or commission shall also record the discount or

commission in their accounts truthfully. Operators who violate the provisions of Article 7 of the law by bribing others can have their illegal gains confiscated by the regulatory authority, and they may be fined with an amount ranging from RMB100,000 to RMB3,000,000 depending on the severity of the circumstances. In severe cases, their business licenses may be revoked.

Laws related to advertising

The Advertisement Law of the PRC (《中華人民共和國廣告法》) promulgated by the SCNPC on October 27, 1994, and effective from February 1, 1995, with the latest amendment taking effect on April 29, 2021, stipulates that advertisements must not contain false content and must not deceive or mislead consumers. Recommendation or certification from advertising endorsers on the goods and services in advertisements, shall be based on facts and in compliance with relevant laws and administrative regulations, and such endorsers are not allowed to recommend or certify the goods or services that they have not used or received. If operators violate the provisions of this law by disseminating false advertisements, the market supervision and management authorities shall order them to cease the publication of the advertisements, require them to eliminate the impact within the corresponding scope, impose fines of three to five times the advertising expenses. If the advertising expenses cannot be calculated or are significantly understated, fines of no less than RMB200,000 and no more than RMB1,000,000 shall be imposed. For those who commit violations three or more times within two years or have other serious circumstances, fines of five to ten times the advertising expenses shall be imposed. If the advertising expenses cannot be calculated or are significantly understated, fines of no less than RMB1,000,000 and no more than RMB2,000,000 may be imposed. In such cases, business licenses may be revoked, and the advertising review authority may revoke the approval documents for advertising review and not accept their advertising review applications for one year. If the violation constitutes a crime, criminal liability may be pursued.

Legal aspects related to e-commerce

The E-commerce Law of the PRC (《中華人民共和國電子商務法》) promulgated by the SCNPC on August 31, 2018, and effective from January 1, 2019, stipulates that e-commerce operators engaged in business activities should adhere to the principles of voluntariness, equality, fairness, and good faith. They must also comply with the law and business ethics, participate fairly in market competition, fulfill obligations related to consumer rights protection, environmental protection, intellectual property protection, network security and personal information protection, and assume responsibility for the quality of products and services. If e-commerce operators fail to fulfill contractual obligations or do not meet the agreed-upon terms or cause harm to others, when selling goods or providing services they shall bear civil liability under the law. E-commerce operators who engage in business activities without obtaining relevant administrative permits, sell or provide goods or services prohibited by laws or administrative regulations, or fail to fulfill their information provision obligations shall be subject to penalties by the market supervision and management authorities in accordance with relevant laws and administrative regulations.

Regulations related to anti-money laundering

According to the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》) promulgated by the SCNPC on October 31, 2006, anti-money laundering refers to adopting relevant measures in accordance with the provisions of the Anti-Money Laundering Law to prevent money laundering activities by various means to cover up and conceal the source and nature of gains and other profits from drug offences, organized crime, terrorist activities, smuggling, corruption and bribery, disruption of financial management order, financial fraud, etc. Anyone who violates the provisions of the Anti-Money Laundering Law and constitutes a crime shall be held criminally responsible in accordance with the law. According to the provisions of the Notice of the People's Bank of China on Strengthening Anti-Money Laundering and Anti-Terrorist Financing in Precious Metals Marketplaces (Yinfa [2017] No. 218), as for the trading venues of precious metals where business or services involve spot trading of precious metals, as well as those precious metal traders engaged in precious metals trading within their marketplaces shall actively fulfill their anti-money laundering and anti-terrorist financing obligations. Trading venues and traders shall take necessary monitoring measures to monitor the personnel whose name appears on lists of terrorist organizations and terrorist activities announced by the competent national authorities. No business relationship shall be established with any entity, organization or individual on the list, nor any form of services shall be provided to them. Funds or other assets related to terrorist organizations and personnel shall be immediately frozen in accordance with the law and shall be promptly reported to local public security agencies, national security agencies and branches of the People's Bank of China in accordance with regulations.

REGULATIONS ON CYBER INFORMATION SECURITY, PRIVACY AND DATA PROTECTION

Privacy protection

On May 28, 2020, the SCNPC promulgated the Civil Code, which came into effect on January 1, 2021. According to the Civil Code, the personal information of natural persons is protected by law. Any organization or individual who needs to obtain personal information of another person shall obtain such information legally and ensure the security of such information, and shall not unlawfully collect, use, process, or transmit the personal information of another person or unlawfully purchase, sell, provide, or disclose to the public the personal information of another person.

On August 22, 2019, the CAC issued the Provisions on the Protection of Children's Personal Information on the Internet (《兒童個人信息網絡保護規定》), which became effective on October 1, 2019, and which applies to the collection, storage, use, transfer and disclosure of minors' or children's personal information under the age of 14 through the Internet. Where personal information processors collect or use children's personal information, they should formulate special rules for handling personal information and obtain the consent of the children's parents or other guardians.

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 on August 29, 2015 and becoming effective on November 1, 2015, any network service provider that fails to fulfil the obligations related to Internet information security administration as required by applicable laws and refuses to rectify when is ordered by a supervisory authority to do so, will be subject to criminal liability for causing (i) any dissemination of information in large scale; (ii) any leakage of the users' information with serious consequences; (iii) any loss of evidence of criminal activities with serious circumstances; or (iv) any other serious circumstances. In addition, any individual or entity that (i) sells or provides personal information to others unlawfully, or (ii) steals or illegally obtains any personal information by other methods, will be subject to criminal liability in serious circumstances.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of 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 from June 1, 2017. The interpretations clarify several concepts regarding the "crime of infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including "citizens' personal information", "violation of relevant national provisions", "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods". In addition, the interpretations specify the standards for the conviction and sentencing in determining "serious circumstances" and "particularly serious circumstances" of this crime. On October 21, 2019, the Supreme People's Court and the Supreme People's Procuratorate jointly issued the Interpretations on Certain Issues Regarding the Applicable of Law in the Handling of Criminal Case Involving Illegal Use of Information Networks and Assisting Committing Internet Crimes (《最高人民法院、最高人民檢察院關於辦理非法利用信息網絡、幫助信息網絡犯罪活動等刑事案件適用法律若干問題的解釋》), which came into effect on November 1, 2019, and further clarifies the meaning of Internet service operators and the meaning of aggravating circumstances of criminal offenses related to refusal to fulfill the obligation of information network security management, illegal use of information network, and assisting information network criminal activities. Failure to comply with the above laws and regulations on network security, information security, privacy and data protection may subject the internet service provider or data processor to administrative penalties, including but not limited to warnings, fines, suspension of business operations, closure of websites or applications, revocation of licences, or even criminal liability. The Company belongs to the Internet service operators referred to in the above provisions, but is not involved in the relevant criminal acts.

On August 20, 2021, the Law of the People's Republic of China on the Protection of Personal Information (the "Personal Information Protection Law") was promulgated by the SCNPC and came into effect on November 1, 2021. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory

obligations; (iv) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) the personal information that has been made public is processed within a reasonable scope in accordance with this Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation, rather than relying on the "notification and consent" as provided for in the Cyber Security Law. It also stipulates the obligations of a personal information processor. Personal information processors who violate the provisions and requirements of the Personal Information Protection Law may be subject to correction, warning, fines, suspension of related business, revocation of licenses, entry into credit files, or even criminal liability.

According to the Personal Information Protection Law, personal information processors shall take the necessary measures to ensure the safety of the personal information being processed. The Personal Information Protection Law stipulates the rights of data subjects, including the right to be informed, the right to refuse or restrict the processing, access, transfer, correction and deletion of their personal information; and the right of individuals to request that the personal information processors provide explanations of the rules governing the processing of their personal information.

The Personal Information Protection Law stipulates that Critical Information Infrastructure Operators and the personal information processors that process the personal information reaching the threshold specified by the CAC in terms of quantity shall store domestically the personal information collected and generated within the territory of the PRC. Where it is truly necessary to provide the information abroad, the security assessment organized by the CAC shall be passed; where it is truly necessary to provide personal information outside of the People's Republic of China, other personal information processors shall meet one of the following conditions: (i) passing the security assessment by the CAC; (ii) obtaining certification of data security by a professional body in accordance with the requirements of the CAC; (iii) entering into an agreement with the overseas recipient with provisions governing the rights and obligations of the parties based on a template contract to be released by the CAC; or (iv) other requirements as provided by laws and regulations.

Processors shall also conduct personal information protection impact assessment in advance when processing sensitive personal information, using personal information to conduct automated decision-making, entrusting personal information processing, providing personal information to other personal information processors, or disclosing personal information, providing personal information abroad, and conducting other personal information handling activities with a major influence on individuals.

Cyber information security

(1) ***The Law of the People's Republic of China on State Security***

Pursuant to the Law of the People's Republic of China on State Security (《中華人民共和國國家安全法》) promulgated by the SCNPC on July 1, 2015, the State shall establish a system and mechanism for national security examination and supervision, and carry out national security

examination of key technology and networking information technology products as well as services relating to national security, so as to effectively prevent and eliminate national security risks.

(2) ***The Cyber Security Law of the PRC***

On November 17, 2016, the Cyber Security Law of the PRC (the "Cyber Security Law") was promulgated by the SCNPC and became effective on June 1, 2017, which requires that a network operator (including, among others, internet information services providers) take technical measures and other necessary measures to ensure the secure and stable operation of the network, effectively cope with cyber security events, prevent criminal activities committed on the network, and protect the integrity, confidentiality and availability of network data. The Cyber Security Law provides that: (i) to collect and use personal information, network operators shall follow the principles of legitimacy, rightfulness and necessity, disclose rules of data collection and use, clearly express the purposes, means and scope of collecting and using the information, and obtain the consent of the persons whose data are gathered; (ii) network operators shall neither gather personal information unrelated to the services they provide, nor gather or use personal information in violation of the provisions of laws and administrative regulations or the scopes of consent given by the persons whose data are gathered; and shall dispose of personal information they have saved in accordance with the provisions of laws and administrative regulations and agreements reached with users; and (iii) network operators shall not divulge, tamper with or damage the personal information they have collected, and shall not provide the personal information to others without the consent of the persons whose data are collected. However, if the information has been processed and cannot be recovered and thus it is impossible to match such information with specific persons, such circumstance is an exception. Furthermore, under the Cyber Security Law, network operators of critical information infrastructure (the "Critical Information Infrastructure Operators") generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC. Any violation of the provisions and requirements under the Cyber Security Law may subject a network operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

(3) ***Administrative Provisions on Account Names of Internet Users***

On February 4, 2015, the Cyberspace Administration of China (the "CAC") promulgated the Administrative Provisions on Account Names of Internet Users (《互聯網用戶賬號名稱管理規定》), which came into effect on March 1, 2015, stipulating that internet information service providers shall implement the responsibility of security management, improve the user service agreement, and expressly state that the account names, avatars, profiles and other registration information submitted by internet information service users shall not contain illegal or malicious information, and equip professional personnel appropriate to the scale of service to review the registration information such as account name, avatar and profile submitted by internet users and refuse to register the information containing illegal and malicious information; internet information service providers shall consciously accept social supervision, and promptly deal with the illegal or malicious information contained in public reported account name, avatar and profile and other registration

information. Service providers shall also require users to register their accounts after authentication of their real identity information in accordance with the principle that mandatory real name registration at the back-office end, and voluntary real name display at the front-office end.

(4) ***Provisions on the Ecological Governance of Network Information Contents***

On March 1, 2020, the CAC promulgated the Provisions on the Ecological Governance of Network Information Contents (《網絡信息內容生態治理規定》) (the "CAC Order No. 5"), which became effective on March 1, 2020, to further strengthen the regulation and management of online information content. Pursuant to these regulations, each network information content service platform is required, among other things, (i) not to disseminate any information that violates laws and regulations, such as information jeopardizing national security; (ii) to strengthen the examination of advertisements published on such network information content service platform; (iii) to formulate management rules and platform convention, improve user agreements, clarify users' relevant rights and obligations and perform the corresponding management responsibilities in accordance with the laws, regulations, rules and conventions; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual work report regarding its management of network information content ecology. In addition, a network information content service platform must not, among others, (i) utilize new technologies and applications such as deep learning and virtual reality to engage in activities prohibited by laws and regulations; (ii) engage in traffic fraud, traffic hijacking and other activities related to fraudulent account, illegal account transaction or maneuver of users' account; and (iii) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display.

(5) ***The Measures for Cyber Security Review***

The Measures for Cyber Security Review (the "Cyber Security Review Measures") (《網絡安全審查辦法》) was jointly issued by the CAC, the NDRC, the MIIT, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance (the "MOF"), the MOFCOM, the People's Bank of China, the State Administration for Market Regulation, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration on December 28, 2021 and took effect on February 15, 2022. The Cyber Security Review Measures specifies that the procurement of network products and services by Critical Information Infrastructure Operator and the activities of data process carried out by online platform operator that raise or may raise "national security" concerns are subject to strict cyber security review by Office of Cyber Security Review established by the CAC. Before such Critical Information Infrastructure Operator purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for a cyber security review by the Cyber Security Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, online platform operators that possess the personal data of at least one million users must apply for a cyber security review by the Cyber Security Review Office before "foreign" listing (國外上市). The Cyber Security Review Office may voluntarily conduct cyber security review if any network products and services, activities of data process or listing of companies overseas affects or

may affect national security. Pursuant to the Cyber Security Review Measures, any violation shall be punished in accordance with the Cyber Security Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties, suspension of non-compliant operations. As the Company is not a critical information infrastructure operator and has not received any notification that it has been recognized as a "critical information infrastructure operator" by the industry authorities or the Internet information administration authorities, the [REDACTED] of the Company in the Hong Kong Special Administrative Region of the PRC does not constitute a foreign [REDACTED], and therefore the Company does not have the legal situation to take the initiative to conduct cyber security review as stipulated in the Measures for Cyber Security Review.

(6) ***The Regulations for Safe Protection of Critical Information Infrastructure***

On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "Safe Protection Regulations") which came into effect on September 1, 2021. Pursuant to the Safe Protection Regulations, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation, water conservation, finance, public services, e-government affairs and national defense and other related technology industries, as well as others in which any destruction or data leakage will have severe impact on national security, the nation's welfare, the people's living and public interests. The Safe Protection Regulations provide specific requirements for the following responsibilities and obligations of the operator: (i) the operator shall establish and improve the cyber security protection system and responsibility system, and ensure the input of manpower, financial and material resources; (ii) the operator shall set up a special security management department, and review the security background of the person in charge of the special security management department and the personnel in key positions; (iii) the operator shall guarantee the operation funds of the special security management department, allocate corresponding personnel, and have the personnel of the special security management department participate in the decision-making relating to cyber security and informatization; (iv) the operators shall give priority to the purchase of safe and reliable network products and services; network products and services procured that may affect the national security shall be subject to the security review in accordance with the national provisions on network security. As the Company is not an operator of critical information infrastructure, the Regulations for Safe Protection of Critical Information Infrastructure does not apply to it.

(7) ***The Administration Regulations on Cyber Data Security***

The State Council promulgated the Administration Regulations on Cyber Data Security (hereinafter referred to as the "Regulations on Cyber Data Security") on September 24, 2024. Administration Regulations on Cyber Data Security is intended to come into effect on January 1, 2025, and provides that the data processors listing in foreign countries with the personal information processed of more than one million individuals shall declare cyber security review. The draft further requires the data processors that carry out the following activities to apply for cyber security review in accordance with the relevant laws and regulations: (i) the merger, reorganization

or division of internet platform operators that have gathered a large number of data resources related to national security, economic development and public interests affects or may affect national security; (ii) the listing of the data processor in Hong Kong affects or may affect the national security; and (iii) other data processing activities that affect or may affect national security. The Administration Regulations on Cyber Data Security is not applicable to the Company for the following reasons: (1) the Company intends to apply for [REDACTED] on the Hong Kong Stock Exchange of the PRC, but the data handled by the Company does not involve any situation that affects or is likely to affect national security; (2) the Company does not belong to the operators of critical information infrastructures and has not received any notification that it has been recognized as a "critical information infrastructure operator" by industry authorities and authorities of the Internet information administration; (3) the Company is principally engaged in the design and development, the production and processing, wholesale, retail and brand franchise of "MOKINGRAN" brand gold jewelry and is not engaged in any of the following industries: public communications and information services, energy, transportation, water, finance, public services, e-government and national defense science and technology industry, and there are no circumstances that affect or may affect national security.

The Administration of Cyber Data Security (《網絡數據安全管理條例》) provide that data processors that handle personal information of more than one million individuals shall be subject to network inspection in accordance with the provisions on the processing of important data when processing the important data. Such provision is not applicable to the Company for the following reasons: (1) The Regulations on the Administration of Cyber Data Security have not yet been formally implemented, and therefore are not applicable at the time of the Company's [REDACTED]. (2) The Company does not handle national important data or core data, and even if the Company is [REDACTED] in Hong Kong, there is no situation that affects or may affect national security.

(8) ***Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》)***

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which came into effect on September 1, 2022. According to the Measures for the Security Assessment of Cross-border Data Transmission, a data processor shall report for security assessment of cross-border data transmission when it provides personal information or important data collected and generated in the course of its business operation within the PRC to a recipient outside the PRC under any of the following circumstances: (i) transferring important data outside the PRC by a data processor; (ii) transferring personal information outside the PRC by a Critical Information Infrastructure Operator or a data processor that has processed personal information of more than one million individuals; (iii) transferring personal information outside the PRC by a data processor that has transferred personal information of more than 100,000 individuals or sensitive personal information of more than 10,000 individuals since January 1 of the previous year; and (iv) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration. The data and personal information collected by the Company are stored

domestically, and there is no cross-border transmission of data and personal information, so there is no need for security assessment of data outbound transfer, filing of standard contracts for outbound transfer of personal information, or certification of personal information protection.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark Law

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated on August 23, 1982, and latest revised on April 23, 2019, and related rules and regulations. Trademarks are registered with the State Intellectual Property Office, formerly the Trademark Office of the SAIC. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for 10 years subject to renewal, unless otherwise revoked.

Patent Law

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020 and effective from June 1, 2021, and the Implementing Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which was promulgated by the China Patent Office on January 19, 1985 and most recently amended by the State Council on January 9, 2010 and effective from February 1, 2010, provide for three types of patents, "invention", "utility model" and "design". "Invention" refers to any new technical solution in relation to a product, a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is 10 years and that of a "design" is 15 years, from the date of application.

Copyright Law

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and most recently amended on November 11, 2020 and effective from June 1, 2021, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People's Republic of China and other related system and laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the

infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright related rights holders shall not be in violation to the Constitution and laws nor prejudice to public interests.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網絡域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and effective from November 1, 2017, the Ministry of Industry and Information Technology supervises and administers domain services nationwide. The principle of "first come, first serve" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/it.

LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of work place safety and sanitation, strictly abide by state rules and standards on work place safety, and conduct employees training on labor safety and sanitation. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe work place and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

Social Insurance and Housing Provident Fund

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 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related

injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發〈生育保險和職工基本醫療保險合併實施試點方案〉的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the competent administrative department.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process registration of provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center will order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People's Court for mandatory enforcement.

Pursuant to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國税地税徵管體制改革方案》), which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018, from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance will be collected by the tax authorities. According to the Notice of the General Office of

the State Taxation Administration on Conducing the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated on September 13, 2018 and the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Insurance Premiums (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Notice of the State Administration of Taxation on Implementing the Several Measures to Further Support and Serve the Development of Private Economy (《國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》) promulgated on November 16, 2018, repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

LAWS AND REGULATIONS IN THE PRC RELATING TO TAX

Income Tax Law

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Implementation Regulations of 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》) promulgated by the State Council on December 6, 2007, and most recently amended on April 23, 2019 and effective from the same date, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for enterprise income tax.

Income Tax relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) and relevant protocols, which were promulgated by SAT on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納税人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China 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 Ministry of Finance on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Caishui [2016] No. 36) (《關於全面推開營業税改徵增值税試點的通知》(財税[2016]第36號)) promulgated by the Ministry of Finance and the State Administration of Taxation promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, December 25, 2017 and March 20, 2019, with the approval of the State Council, from May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37(《關於簡併增值税税率有關政策的通知》(財税[2017]37號)), announced by the Ministry of Finance and the State Administration of Taxation on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be canceled. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs (《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》) ("Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39") announced by the Ministry

of Finance, the State Taxation Administration, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

According to the Circular of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on the Adjustment to Tax Policies on Diamonds and the Shanghai Diamond Exchange (《財政部海關總署國家税務總局關於調整鑽石及上海鑽石交易所有關税收政策的通知》), the Ministry of Finance, the General Administration of Customs and the State Taxation Administration stipulated that diamonds declared for customs clearance on the Shanghai Diamond Exchange are exempted from customs duty; the tax payment of consumption tax on diamonds is moved from the production and importing segments back to retailing segments; the consumption tax on un-mounted finished diamonds and diamond jewelleries is reduced to a tax rate of 5% from the original 10%; and the tax rate on the exportation of diamonds is implemented at a zero tax rate.

REGULATIONS IN RELATION TO FOREIGN INVESTMENT

The establishment, operation and management of companies in China is governed by the Company Law of the People's Republic of China, as amended in 1999, 2004, 2005, 2013, 2018 and 2023. According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic companies and foreign-invested companies. On December 30, 2019, MOFCOM and SAMR promulgated the Measures for the Reporting of Foreign Investment Information (effective from January 1, 2020), repealing the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises. Where foreign investors or foreign-funded enterprises carry out investment activities directly or indirectly within China, they shall report investment information to commerce departments. On December 27, 2021, MOFCOM and NDRC promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2021) (the "Negative List (2021)"), which became effective on January 1, 2022. The production and sale of gold jewellery were not included in the Negative List (2021). Fields that were not included in the Negative List (2021) shall be regulated according to the principle of equal treatment of domestic and foreign investments.

On March 15, 2019, the SCNPC approved the Foreign Investment Law of the People's Republic of China, and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law of the People's Republic of China (the "Implementing Rules"), to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020 and replaced three previous major laws on foreign investments in China, namely, the Sino-foreign Equity Joint Venture Law of the People's Republic of China, the Sino-foreign Cooperative Joint Venture Law of the People's Republic of China and the Wholly Foreign-owned Enterprise Law of the People's Republic of China, together with their respective implementing rules. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations)

directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules. Our Company will change to a foreign-invested enterprise after [REDACTED] on the Hong Kong Stock Exchange and is required to comply with the above relevant regulations.

LAWS AND REGULATIONS RELATING TO MERGERS AND ACQUISITIONS AND OVERSEAS LISTING

On February 17, 2023, with the approval of the State Council, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies ("Trial Administrative Measures") and five related guidelines, which has come into effect from March 31, 2023.

According to the Trial Administrative Measures, (i) a domestic enterprise in the PRC that directly or indirectly issues securities outside the PRC or lists and trades its securities outside the PRC shall file a report with the CSRC and submit the relevant materials; if a domestic enterprise fails to comply with the procedures for filing a report, or hides important facts or fabricates any material content in the report, the domestic enterprise may be subject to administrative penalties such as rectification order, warnings, fines, and so forth, and the controlling shareholders, actual controllers, officers in charge and other persons directly responsible may also be subject to administrative penalties such as warnings, fines, and so forth; (ii) the direct overseas issuance and listing of a domestic enterprise refers to the overseas issuance and listing of shares of a joint stock limited company registered and established in the PRC; and (iii) any domestic joint stock limited company shall file a report with the CSRC within three working days after the submission of its application for an overseas listing. A PRC domestic enterprise that fails to complete the filing in accordance with the Trial Administrative Measures may be ordered by the CSRC to make corrections, given a warning and fined not less than RMB1 million and not more than RMB10 million.

In addition, overseas offering and listing by domestic companies shall abide by laws, administrative regulations and relevant rules concerning foreign investment in China, state-owned asset administration, industry regulation and outbound investment. Such activities shall not disrupt domestic market order, harm state or public interest or undermine the lawful rights and interests of domestic investors. A domestic company that seeks to offer and list securities in overseas markets shall (i) abide by applicable laws, including the Company Law of the People's Republic of China and the Accounting Law of the People's Republic of China, administrative regulations and relevant state rules, and formulate articles of association, improve internal control system, enhance corporate governance, and promote compliance in corporate finance and accounting practices; (ii) abide by national secrecy laws and relevant provisions and take necessary measures to fulfill confidentiality

obligations. Divulgence of state secrets or working secrets of government agencies is strictly prohibited. Provision of personal information, important data and etc. to overseas parties in relation to overseas offering and listing of domestic companies shall be in compliance with applicable laws, administrative regulations and relevant state rules. Furthermore, Trial Administrative Measures also stipulates that no overseas offering and listing shall be made under any of the following circumstances (among others) (i) where such fundraising offering and listing is explicitly prohibited by provisions in laws and regulations; (ii) where the intended securities offering and listing may endanger national security; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or (v) where there are material ownership disputes over the equity held by controlling shareholders or by other shareholders that are controlled by controlling shareholders or actual controllers.

Full Circulation of H Shares

"Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted Domestic Shares held by domestic shareholders prior to overseas listing, unlisted Domestic Shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, CSRC announced the Guidelines for the "Full Circulation" Program 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》), allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". Pursuant to the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), shareholders holding unlisted shares in the PRC should comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file a report with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business ("Measures for Implementation"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and

instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation.

In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, China Securities Depository and Clearing Corporation Limited has issued the Circular on Issuing the Guidelines to the Program for "Full Circulation" of H-shares (《關於發佈〈H股「全流通」業務指南〉的通知》) in February 2020, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. In February 2020, China Securities Depository and Clearing (Hong Kong) Company Limited promulgated the Guidelines to the Program for Full Circulation of H-shares of China Securities Depository and Clearing (Hong Kong) Company Limited (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Company Limited, arrangement for settlement and delivery and other relevant matters.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is 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. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange (SAFE) or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration. On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19"). According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, which means that the foreign exchange capital in the capital account of a foreign-

invested enterprise for which the rights and interests of monetary contribution have 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, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the "SAFE Circular 13"), which became effective on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"), was promulgated by SAFE on June 9, 2016. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should

make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

On October 23, 2019, the SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which, among other things, allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.