As our business is primarily conducted in China, we are subject to various laws and regulations of the PRC that are material to our operations and are set forth below.

LAWS AND REGULATIONS CONCERNING FOREIGN INVESTMENT

Company law

The Company Law of PRC (中華人民共和國公司法) (the "**Company Law**") was promulgated by the Standing Committee of National People's Congress (the "**NPCSC**") on 29 December 1993, which became effective on 1 July 1994, and was subsequently revised on 25 December 1999, 28 August 2004, 27 October 2005 and 28 December 2013. Companies with limited liability and stock limited companies established in China shall be subject to the Company Law. Foreign invested companies are also subject to the Company Law, except as otherwise provided in the foreign investment laws including the Law of the PRC on Wholly Foreign-owned Enterprise (中華人民共和國外資企業法) (the "**WFOE Law**).

Foreign investment enterprise law

The WFOE Law was promulgated and implemented on 12 April 1986, and was revised on 31 October 2000. In addition, the Implementation Details for the Wholly Foreign-owned Enterprise Law of PRC (中華人民共和國外資企業法實施細則) (the "**Implementation Details for the WFOE Law**") was promulgated and implemented on 28 October 1990, and was revised on 12 April 2001 and 19 February 2014.

According to the WFOE Law and the Implementation Details for the WFOE Law, Wholly Foreign-owned Enterprises (i) are legal entities and capable of undertaking civil responsibilities, and have civil rights and the right to independently own, use and sell the property; and (ii) must conform to stipulations concerning the registered capital (including that the registered capital must be paid by the foreign investors, with the amount agreed by the foreign investor to pay as the upper limit), foreign exchange management, accounting, taxation, employment and other matters.

The NPCSC promulgated on 3 September 2016 and implemented on 1 October 2016 the Decisions on Modifying the Four Laws Including the Law for Foreign Companies (全國人民代表大會常務委員會關於修改<中華人民共和國外資企業法>等四部法律的決定) by the NPCSC (the "**Decisions**"), which modifies relevant articles for administrative approval to change "foreign-invested companies beyond the special management measures enacted by the country shall be established upon approval" into "foreign-invested companies beyond the special management measures enacted by the country shall be established upon filing for management".

The Ministry of Commerce of PRC (the "**Ministry of Commerce**") promulgated on 8 October 2016 and revised on 30 July 2017 and 29 June 2018, respectively, the Provisional Methods for Filing Management for Establishment and Changing of Foreign-invested Companies (外商投資企業設立及變更備案管理暫行辦法) (the "**Provisional Methods for**

Filing Management"). According to the Provisional Methods for Filing Management, for changes to foreign-funded investor companies beyond the access to special management measures stipulated by the country, representatives or entrusted agents appointed by the foreign-funded investor companies shall fill in and submit online the Application for Filing of Changes of Foreign-funded Investor Companies and relevant documents through the integrated management system to transact the procedures for change filing within 30 days upon the occurrence of the changes.

Catalogue for the Guidance of Foreign Investment Industries

Investments in the PRC by foreign investors are regulated by the Guidance Catalog of Industries for Foreign Investment (外商投資產業指導目錄) (the "**Foreign Investment Catalogue 2017**"), the latest version of which was promulgated by the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce (the "**MOFCOM**") on 28 June 2017 and became effective on 28 July 2017. The Catalogue has been a longstanding tool used by policymakers of the PRC to manage direct foreign investment. The Foreign Investment Catalogue 2017 is divided into the encouraged industries, the restricted industries and the prohibited industries for foreign investment, and industries which are not listed in the Foreign Investment Catalogue 2017 shall be categorised as the permitted industries for foreign investment. In June 2018, the list of restricted industries and prohibited industries in the Foreign Investment Catalogue 2017 were amended through the promulgation of Special Administrative Measures for the Admission of Foreign Investment (Negative List) (2018) (the "**Negative List 2018**") on 28 June 2018 which will become effective on 28 July 2018. According to the Foreign Investment Catalogue 2017 and the Negative List 2018, the industry in which our PRC subsidiaries are primarily engaged does not fall into the category of restricted or prohibited industries.

REGULATIONS CONCERNING THE AGENCY FOR REAL-ESTATE

Establish real-estate agencies

The NPCSC issued on 5 July 1994 and implemented on 1 January 1995, and successively modified on 30 August 2007 and 27 August 2009 the Management Methods for Urban Real-estate of PRC (中華人民共和國城市房地產管理法) (the "**Real-estate Management Methods**"). According to the Real-estate Management Method, the real-estate intermediary agencies include real-estate consultation agencies, real-estate valuation agencies and real-estate brokerage agencies. Real-estate intermediary agencies are required to have: (a) their own names and organisational structure; (b) fixed premises to offer services; (c) necessary property and fund; (d) adequate number of professionals; and (e) other conditions stipulated by laws and administrative regulations. The establishment of a real estate intermediary service agency shall apply to the administration for industry and commerce for registration and a business licence before it goes into operation.

Real estate sales agents

The Ministry of Housing and Urban-rural Development promulgated on 4 April 2001 and implemented on 1 June 2001 the Management Methods on Commercial Houses (商品房銷售管理辦法). When real-estate developers entrust intermediary agencies to sell commercial houses, the entrustee agencies need to be those legally incorporated and granted industrial and commercial business licences. The real-estate developers shall sign written-form commissioning contract with the intermediary agencies to specify the commissioning period, commissioning rights, and rights and obligations of the client and entrustee. The entrusted intermediary agencies shall present the buyer relevant certificates and selling commissioning letter of the commercial houses. The entrusted intermediary agencies shall never sell non-conforming commercial houses. The entrusted intermediary agencies are never allowed for any charges beyond the commission when selling the commercial houses. Only those salespersons that have undergone professional training are allowed to engage in the commercial house selling business.

According to the Administrative Measures for Real Estate Brokerage (房地產經紀管理辦法) as promulgated on 20 January 2011 and implemented on 1 April 2011, and revised on 1 March 2016 and implemented on 1 April 2016 by the Ministry of Housing and Urban-rural Development, NDRC and Ministry of Human Resources and Social Securities, the real-estate brokerage services shall be uniformly undertaken by real-estate brokerage agencies, with the service remunerations collected by the agencies collectively. Branches shall undertake businesses in the name of the parental real-estate agencies. Real-estate agents are never allowed to undertake agent services in his/her own name. Real-estate agencies and agents are never allowed to: (a) counterfeit and disseminate the price-up information, or gang up with real-estate developers or operators to reserve premises for higher price and manipulate the market price; (b) conceal the real housing transaction information from the interested parties, and earn price discrepancies between lower buy-in price and higher sell-out (rent) price; (c) solicit business through improper means such as concealing, fraud, coercing or bribing, or lure/force consumers into transaction; (d) disclose or improperly use the personal information/business secret of the client to seek unjust profits; (e) for illegal purposes such as evasion of property transaction tax, sign contracts of different prices for the same house; (f) change the internal structure of the house and divide them for rental; (g) embezzle and misappropriate the property transaction capital; (h) buy or rent his/her own agented house; (i) offer brokerage services to non-conforming indemnificatory houses or prohibited-for-sales houses; and (j) conduct other behaviours prohibited by laws and regulations.

According to the Opinions on Strengthening the Management over Real-estate Agencies to Promote Healthier Development of the Industry (關於加強房地產中介管理促進行業健康發展的意見) as promulgated and implemented on 29 July 2016 by the Ministry of Housing and Urban-rural Development, NDRC, Ministry of Industry and Information Technology (the "**MIIT**"), People's Bank of China, State Administration of Taxation, State Administration for Industry & Commerce and China Banking Regulatory Commission, governmental departments impose stricter supervision upon real-estate sales agencies. Such agencies are required to check the ownership right information of the house and the identity identification for the client before

publicising the house availability information. Upon approval of the client, the agent shall check the house ownership information in the real-estate competent department and prepare specification of the house conditions. Real-estate competent department at city and county levels shall comprehensively promote the system of online signing of transaction contracts for houses in stock. Intermediary agencies which completed filings are qualified for online signing of transaction contracts for houses in stock. Real-estate competent department at city and county levels shall establish a supervisory system for transactional capital of houses in stock. Intermediary agencies are prohibited collecting/paying transaction capital through accounts beyond the supervision account, or embezzling/misappropriating the transaction capital.

Occupational Qualification and Examination for Real-Estate Brokers

Real-estate agents referred to in the Management Methods on Real-estate Agent Service mean real-estate brokers and the associates of these brokers involved in real-estate brokerage services. Real-estate brokers shall follow the occupational qualification system of the country, which is under the collective management and planning of professional technician qualification examination system of the country. The occupational examination for real-estate broker associates and the real-estate broker are evaluated with a national examination system under the charge of the real-estate brokerage industry organisation. The Ministry of Housing and Urban-rural Development and the Ministry of Human Resources and Social Securities shall provide guidance, supervision and inspection to the occupational examinations for the real-estate brokerage associates and real-estate brokers. In 1 March 2016, the Decision on Amending the Administrative Measures for Real Estate Brokerage (關於修改房地產經紀管理辦法的決定) was made by Ministry of Housing and Urban-rural Development, National Development and Reform Commission and Ministry of Human Resources and Social Security, which entitled the Real estate brokerage association to be responsible for management and implementation of the unified examination work on occupational qualifications of real estate brokers and assistants.

According to the Provisional Stipulations on Occupational Qualification System for Professional Real-estate Agents (房地產經紀專業人員職業資格制度暫行規定) and the Implementation Methods for Occupational Qualification Examinations for Professional Real-estate Agents (房地產經紀專業人員職業資格考試實施辦法) as promulgated on 25 June 2015 and implemented on 1 July 2015 by the Ministry of Human Resources and Social Securities and the Ministry of Housing and Urban-rural Development, passing the occupational qualification examinations for real-estate broker assistants and real-estate broker and gaining relevant level of certificate mean that they are qualified to be involved in relevant real-estate brokerage businesses. When passing the occupational qualification examinations for real-estate broker assistants and real-estate brokers, the examination takers will get the Occupational Qualification Certificate for Professional Real-estate Brokers in PRC of according level, which is issued by China Real Estate Appraisers and China Real Estate Agents, supervised by the Ministry of Human Resources and Social Securities and the Ministry of Housing and Urban-rural Development, and sealed by China Real Estate Appraisers and China Real Estate Agents. The Occupational Qualification Certificate is valid on a national scale.

Filing for real-estate brokerage service

As stipulated in the Management Methods on Real-estate Agent Service, filing for real-estate brokerage services shall be open to the public. The real-estate brokerage agencies and their branches shall file with the construction (real-estate) supervising department of the local municipality/city/county within 30 days after obtaining the business license. The construction (real-estate) supervising department of the local municipality/city/county shall publicise the name, residence, legal representative (executive partner) or responsible person, registered capital and real-estate brokers of the agencies and their branches.

According to various local regulations concerning the filing for real-estate brokerage services, the real-estate agencies filing the real-estate brokerage services shall: (a) possess the business licence; and (b) own a certain minimum number of real-estate brokers with the occupational qualification certificates.

LAWS AND REGULATIONS CONCERNING THE NON-COMMERCIAL INTERNET INFORMATION SERVICE

According to the Management Methods on Internet Information Services (互聯網信息服務管理辦法) promulgated on 25 September 2000 and amended on 8 January 2011 by the State Council, the Internet information services are divided into services of a commercial nature and services of a non-commercial nature. The non-commercial internet information services refers to non-compensatory services which supply through the internet to online users information which is open to and shared by the general public. The non-commercial Internet service is subject to the filing system. The practitioners shall transact filing procedures in the telecommunication management organs at the local province, autonomous region and municipality or the information industry supervising department of the State Council.

According to the Filing Management Methods on Non-commercial Internet Information Service (非經營性互聯網信息服務備案管理辦法) promulgated on Feb. 8, 2005 and implemented on 20 March 2005 by the MIIT, practitioners scheduled to get involved in the non-commercial Internet information services shall fill in the Filing Registration for Non-Commercial Internet Information Services through the filing management system to fulfil the filing procedures. The Group's non-commercial internet information services primarily include (i) providing information on its subsidiaries and services via its websites, and (ii) providing certain data and consulting services without charge via its cricbigdata.com and wishbuild.com websites. Via cricbigdata.com, the Group provides real estate pricing and rating information to individual consumers. The Group believes that cricbigdata.com further increases the reputation and influence of its CRIC Systems. Via wishbuild.com, the Group provides real estate developers and architecture firms with information on construction materials and architectural technology, which is primarily sourced from suppliers of construction materials. The Group believes that wishbuild.com helps promote its Zhuxiang system among potential customers. See the section headed "Business – Our Services – Real Estate Data and Consulting Services – Data services – (4) Zhuxiang system" for further detail. As these online services are provided free of charge, the Group did not derive any revenue from

them during the Track Record Period and these two websites did not have a material impact to the Group's business during the Track Record Period. As non-commercial internet information services providers, the relevant entities of the Group, such as PRC Holdco, have completed the such filling procedures accordingly.

Certain of our PRC subsidiaries provide non-commercial internet information services via our websites and mobile apps (including mobile apps we designed for Fangyou-branded stores). According to our PRC Legal Adviser, these websites and mobile apps are deemed to be non-commercial internet information services because they either provide information on our Group and our services or provide certain services to users without charge. Therefore, our PRC Legal Adviser is of the view that operating these websites and mobile apps does not require any specific license and is not subject to any restriction on foreign investment.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Foreign Exchange Administration

The Administrative Regulations on Foreign Exchange of the PRC (中華人民共和國外匯管理條例) (the "**Foreign Exchange Administrative Regulations**"), promulgated by the State Council on 29 January 1996 and amended on 5 August 2008, constitute an important legal basis for the PRC governmental authorities to supervise and regulate foreign exchange. On 20 June 1996, People's Bank of China (the "**PBOC**") further promulgated the Administrative Provisions on the Settlement, Sales and Payment of Foreign Exchange (結匯、售匯及付匯管理規定) (the "**Settlement Provisions**").

Pursuant to the Foreign Exchange Administrative Regulations and the Settlement Provisions, RMB is generally freely convertible to foreign currencies for current account transactions (such as trade and service-related foreign exchange transactions and dividend payments), but not for capital account transactions (such as capital transfer, direct investment, securities investment, derivative products or loans), except where a prior approval from the SAFE and/or its competent local counterparts is obtained. The foreign-invested enterprises in the PRC may buy, sell or remit foreign currencies at the banks authorized to conduct foreign exchange business after providing valid commercial supporting documents and, in the case of capital account item transaction, obtaining approval from SAFE.

In August 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知) (the "**SAFE Circular 142**"), which provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC.

On 19 November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the "**Circular 59**"), which became effective on 17 December 2012 and was amended on 4 May 2015. Circular 59 substantially amends and simplifies the current foreign exchange procedure. The major developments under Circular 59 are that the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account and guarantee account) no longer requires the approval of SAFE. Furthermore, multiple capital accounts for the same entity may be opened in different provinces, which was not possible before the issuance of Circular 59. Reinvestment of RMB proceeds by foreign investors in the PRC no longer requires SAFE's approval.

On 11 May 2013, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents(關於印發<外國投資者境內直接投資外匯管理規定>及配套文件的通知) which became effective on 13 May 2013 and specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with SAFE and/or its branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

On 30 March 2015, SAFE released the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知) (the "**SAFE Circular 19**"), which came into force and superseded SAFE Circular 142 from 1 June 2015. On 9 June 2016, SAFE further promulgated the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (關於改革和規範資本項目結匯管理政策的通知) (the "**SAFE Circular 16**"). SAFE Circular 19 has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, and some foreign exchange restrictions under SAFE Circular 142 are expected to be lifted. Under SAFE Circular 19 and SAFE Circular 16, the settlement of foreign exchange capital by foreign invested enterprises shall be governed by the policy of foreign exchange settlement at will. However, SAFE Circular 19 and SAFE Circular 16 also reiterate that the settlement of foreign exchange shall only be used for purposes within the business scope of the foreign invested enterprises and following the principles of authenticity. Considering that SAFE Circular 19 and SAFE Circular 16 are relatively new, it is unclear how they will be implemented and there exist high uncertainties with respect to their interpretation and implementation by authorities.

SAFE Circular 37

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the "**SAFE Circular 37**") on 4 July 2014, which replaced the former

circular commonly known as "SAFE Circular 75" promulgated by SAFE on 21 October 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle". SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On 13 February 2015, SAFE released the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the "**SAFE Circular 13**"), which became effective from 1 June 2015. According to SAFE Circular 13, local banks shall examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration under SAFE Circular 37. However, there exist high uncertainties with respect to its interpretation and implementation by governmental authorities and banks.

LAWS AND REGULATIONS ON TAXATION

Income Tax

Because we carry out our PRC business operations through operating subsidiaries organized under the PRC law, our PRC operations and our operating subsidiaries in China are subject to PRC tax laws and regulations, which indirectly affect your investment in our shares.

Pursuant to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法) (the "**EIT Law**") promulgated by the National People's Congress on 16 March 2007, which became effective from 1 January 2008, the income tax rate for both domestic and foreign-invested enterprises is 25% commencing from 1 January 2008 with certain exceptions. Enterprises that are recognized as high and new technology enterprises in accordance with the Notice of the Ministry of Science, the Ministry of Finance (the "**MOF**") and the SAT on Amending and Issuing the Administrative Measures for the Determination of High and New Tech Enterprises (科技部、財政部、國家税務總局關於修訂印發<高新技術企業認定管理辦法>的通知) are entitled to enjoy the preferential enterprise income tax rate of 15%. The validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate of high and new technology enterprise. The enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

In order to clarify certain provisions in the EIT Law, the State Council promulgated the Implementation Rules 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) (the "**EIT Implementation Rules**") on 6 December 2007, which became effective on 1 January 2008. Under the EIT Law and the EIT Implementation Rules, enterprises are classified as either "resident enterprises" or "non-resident enterprises". Pursuant to the EIT Law and the EIT Implementation Rules, besides enterprises established within the PRC, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and subject to the uniform 25% enterprise income tax rate for their global income. In addition, the EIT Law provides that a non-resident enterprise refers to an entity established under foreign law whose "de facto management bodies" are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC.

Withholding Income Tax and Tax Treaties

The EIT Implementation Rules provide that since 1 January 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC. The income tax on the dividends may be reduced pursuant to a tax treaty between China and the jurisdictions in which our non-PRC shareholders reside.

Pursuant to an Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation 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) (the "**Double Tax Avoidance Arrangement**"), and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority having satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (關於執行税收協定股息條款有關問題的通知) issued on 20 February 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. On 3 February 2018, the SAT issued the Announcement on Certain Issues Concerning the Beneficial Owners in a Tax Agreement (關於税收協定中"受益所有人"有關問題的公告) (the "**Circular 9**"), which provides guidance for determining whether a resident of a contracting state is the "beneficial owner" of an item of income under China's tax treaties and similar arrangements. According to Circular 9, a beneficial owner generally must be engaged in substantive business activities and an agent will not be regarded as a beneficial owner and, therefore, will not qualify for these benefits.

Value-Added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例) promulgated by the State Council on 13 December 1993 and subsequently amended on 10 November 2008, 6 February 2016 and 19 November 2017 respectively, and its Implementation Rules (中華人民共和國增值税暫行條例實施細則) promulgated by the MOF on 25 December 1993 and amended on 15 December 2008 and 28 October 2011 respectively, tax payers engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the territory of the PRC shall pay value-added tax (the "**VAT**").

On 16 November 2011, the MOF and the SAT jointly promulgated the Pilot Plan for Levying Value-Added Tax in Lieu of Business Tax (營業税改徵增值税試點方案). Starting from 1 January 2012, the PRC government has been gradually implementing a pilot program in certain provinces and municipalities, to levy a 6% VAT on revenue generated from certain kinds of services in lieu of the business tax.

On 23 March 2016, the MOF and the SAT jointly issued the Circular of Full Implementation of Business Tax to Value-added Tax Reform (關於全面推開營業税改徵增值税試點的通知) (the "**Circular 36**") which confirms that business tax will be completely replaced by VAT from 1 May 2016.

Urban Maintenance and Construction Tax and Education Surcharges

According to the Circular of the State Council on Unifying the System of Urban Maintenance and Construction Tax and Education Surcharge Paid by Domestic and Foreign-invested Enterprises and Individuals (國務院關於統一內外資企業和個人城市維護建設税和教育費附加制度的通知) promulgated by the State Council on 18 October 2010 and implemented on 1 December 2010, foreign invested enterprises, foreign enterprises and foreign individuals are applicable to the Provisional Regulations of the PRC on City Maintenance and Construction Tax (中華人民共和國城市維護建設税暫行條例) promulgated by the State Council on 8 February 1985 and implemented on 1 January 1985, and then revised and implemented on 8 January 2011, and the Provisional Regulations for Imposition of Education Surcharges (徵收教育費附加的暫行規定) promulgated by the State Council on 28 April 1986 and implemented on 1 July 1986, revised on 7 June 1990 and implemented on 1 August 1990, revised on 20 August 2005 and implemented on 1 October 2005, and then revised and implemented on 8 January 2011.

According to the Provisional Regulations of the PRC on City Maintenance and Construction Tax, all units and individuals that pay consumption tax, value-added tax and business tax are all taxpayers who pay taxes on urban maintenance and construction. They shall pay the urban maintenance and construction tax according to the regulations. The computation of city maintenance and construction tax shall be based on the amount of consumption tax, value added tax and/or business tax actually paid by taxpayers, and the tax shall be paid together with the payment of consumption tax, value added tax and/or business tax. If the

location of the taxpayer is in the urban area, the tax rate of urban maintenance and construction shall be 7%; if the location of the taxpayer is in the county or town, the tax rate of the maintenance and construction of the city shall be 5%; if the location of the taxpayer is not in the urban area, the county or town, the tax rate of the city maintenance and construction is 1%.

According to the Provisional Regulations for Imposition of Education Surcharges, all units and individuals who pay the consumption tax, value added tax and business tax shall pay education surcharges in accordance with the regulations of the Provisional Regulations for Imposition of Education Surcharges, except the units that pay rural surcharges of operating expenses of education in accordance with the regulations of the Circular of the State Council on Raising Funds for Running Schools in Rural Areas (國務院關於籌措農村學校辦學經費的通知). The computation of education surcharges shall be based on the amount of value-added tax, business tax, and consumption tax paid by each unit and individual. The education surcharges rate is 3%, and the tax shall be paid together with the payment of value-added tax, business tax, and consumption tax.

LAWS AND REGULATIONS ON LABOUR AND SOCIAL SECURITY

Labour laws

The NPCSC issued the Labour Law of the PRC (中華人民共和國勞動法) (the "**Labor Law of the PRC**") on 5 July 1994 and implemented it on 1 January 1995, then revised and implemented it on 27 August 2009. The NPCSC issued the Labour Contract Law of the PRC (中華人民共和國勞動合同法) on 29 June 2007 and implemented on 1 January 2008, then revised on 28 December 2012 and implemented on 1 July 2013 (the "**Labour Contract Laws of the PRC**"). The State Counsel issued and implemented the Implementation Regulations for the Labour Contract Law of the PRC on 18 September 2008 (the "**Implementation Regulations for the Labour Contract Law**").

A series of requirements were made by the Labour Law of the PRC, the Labour Contract Law of the PRC and the Implementation Regulations for the Labour Contract, such as a written labour contract should be concluded between the employers and their workers when establishing a labour relationship.

The company should also be in accordance with the requirements with respect to termination of the labour contracts, paying remuneration and compensation, using labour dispatch as well as social security premiums pursuant to the aforesaid laws and regulations.

Dispatched employees

According to the regulations of the Temporary Provisions on Labour Dispatch (劳務派遣暫行規定) issued on 24 January 2014 and implemented on 1 March 2014 by the Ministry of Human Resources and Social Security, the employers should strictly control the number of labour dispatch workers, and the number of the dispatched workers shall not exceed 10% of the total amount of their employees. If the employer has the number of dispatched workers

exceeding 10% of the total amount of labour before the implementation of the Temporary Provisions on Labour Dispatch, it shall develop a scheme for employment adjustments, and reduce the proportion of dispatched workers to the stipulated level within 2 years from the date of the implementation of the Temporary Provisions on Labour Dispatch. Before reducing the proportion of dispatched workers to the required level, the employer shall not employ new dispatched workers.

Pursuant to the Temporary Provision on Labour Dispatch, the Labour Contract Law of the PRC and the Implementation Regulations for the Labour Contract, the employers who fail to comply with the relevant requirements on labour dispatch shall be ordered by the labour administrative authorities to make correction within a stipulated period; where correction is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance and Housing Provident Fund

According to regulations of the Social Insurance Law of PRC (中華人民共和國社會保險法) issued by the NPCSC on 28 October 2010 and implemented on 1 July 2011, the state establishes social insurance system including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, maternity insurance and so forth, so as to protect legitimate rights and interests of citizens to get material assistance from the state and society according to laws, such as age, disease, work injury, unemployment, childbearing and so on. Enterprises within the territory of China should register social insurance in social insurance institutions and pay corresponding insurance funds for their employees in social insurance institutions.

According to regulations of the Regulations on Management of Housing Provident Fund (住房公積金管理條例) issued and implemented by the State Council on 3 April 1999 and then revised and implemented on 24 March 2002, enterprises in China must register with the housing provident fund management centre within 30 days from the date of its establishment, establish housing accumulation fund accounts in the banks they entrust, and deposit housing provident fund for their employees in the corresponding housing provident fund management centre.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Copyright

According to the Copyright Law of the PRC (中華人民共和國著作權法) issued by the NPCSC on 7 September 1990 and implemented on 1 June 1991, revised and implemented on 27 October 2001, and then revised on 26 February 2010 and implemented on 1 April 2010, and regulations of the Regulation for the Implementation of the PRC the Copyright Law (中華人民共和國著作權法實施條例) issued by the State Council on 2 August 2002 and implemented on 15 September 2002, and then revised on 30 January 2013 and implemented on 1 March 2013, the work of computer softwares is entitled to copyright. In addition, the China Copyright Protection Centre (中國版權保護中心) has a voluntary registration system.

According to the Regulations on Protection of Computer Software (計算機軟件保護條例) issued by the State Council on 4 June 1991 and implemented on 1 October 1991, revised on 20 December 2001 and implemented on 1 January 2002, and then revised on 30 January 2013 and implemented on 1 March 2013, and the regulations of the Registration of Computer Software Copyright Procedures (計算機軟件著作權登記辦法) issued and implemented by the Ministry of Machine Building and Electronics Industries on 6 April 1992, revised on 26 May 2000 and implemented on 1 June 2000 by the National Copyright Administration, and then revised and implemented on 20 February 2002, the software copyright holder can register the copyright registration of the software copyright to the China Copyright Protection Centre, which is the software registration agency identified by the State Copyright Administration.

Patents

According to regulations of the Patent Law of the PRC (中華人民共和國專利法) issued by the NPCSC on 12 March 1984 and implemented on 1 April 1985, revised on 4 September 1992 and implemented on 1 January 1993, revised on 25 August 2000 and implemented on 1 July 2001, and then revised on 27 December 2008 and implemented on 1 October 2009, and the Rules for the Implementation of the Patent Law of the PRC (中華人民共和國專利法實施細則) issued by the State Council on 15 June 2001 and implemented on 1 July 2001, revised on 28 December 2002 and implemented on 1 February 2003, and then revised on 9 January 2010 and implemented on 1 February 2010, the patent protection is divided into three categories, namely, the patent for invention, patent for utility models and patent for designs. The duration of patent right for inventions shall be 20 years, the duration of the patent for designs and patent for utility models shall be 10 years, counted from the date of filing. After the grant of the patent right for an invention or utility model, except where otherwise provided for in this Law, no entity or individual may, without the authorisation of the patentee, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, and use, offer to sell, sell or import the product directly obtained by the patented process, for production or business purposes. After the grant of the patent right for a design, no entity or individual may, without the authorisation of the patentee, exploit the patent, that is, make, offer to sell, sell or import the product incorporating its or his patented design, for production or business purposes.

Trademarks

According to the Trademark Law of the PRC (中華人民共和國商標法) issued by the NPCSC on 30 August 1982 and implemented on 1 March 1983, revised on 22 February 1993 and implemented on 1 July 1993, revised on 27 October 2001 and implemented on 1 December 2001, and then revised on 30 August 2013 and implemented on 1 May 2014, and the Regulation for the Implementation of the Trademark Law of the PRC (中華人民共和國商標法實施條例) issued by the State Council on 3 August 2002 and implemented on 15 September 2002, and then revised on 29 April 2014 and implemented on 1 May 2014, a trademark registered by China Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The period of validity of a registered trademark shall be 10 years, counted from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date.

Domain names

According to the Internet Domain Name Regulations (互聯網域名管理辦法) issued by the MIIT on 24 August 2017 and implemented on 1 November 2017, the MIIT supervises and manages the domain name service in the whole country, and the communication administrative bureaus of all provinces, autonomous regions and centrally-administered municipalities directly under the central government supervise and manage the domain name service within their administrative area. The Internet domain name system of China is announced by the MIIT. According to the actual situation of the development of the domain name, the Ministry of Industry and Information Technology can adjust the Internet domain name system of China.

REGULATIONS RELATING TO M&A RULES

Under the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the "**M&A Rules**") in the PRC, which was promulgated jointly by the MOFCOM, SASAC, SAT, CSRC, SAIC and SAFE on 8 August 2006, effective on 8 September 2006 and further amended and effective on 22 June 2009, an offshore special purpose vehicle established or controlled by a Chinese domestic company or individual shall obtain approval from the MOFCOM prior to the merger or acquisition of any domestic enterprise related to such company or individual. Such mergers and acquisitions include where the foreign investor (i) acquires equity in the domestic non-foreign-invested enterprise or subscribes for increased capital to convert the domestic non foreign-invested enterprise into a foreign-invested enterprise; (ii) establishes a foreign-invested enterprise to acquire the assets of the domestic enterprise by agreement and operates these assets; or (iii) purchases the assets from the domestic enterprise and invests such assets to establish foreign-invested enterprises for operation of such assets.

The M&A Rules further require that, if a special purpose vehicle formed for the purpose of listing is controlled directly or indirectly by PRC companies or individuals, the overseas listing and trading of such special purpose vehicle requires prior approval from CSRC.

We have been advised by our PRC Legal Adviser that when the domestic restructuring occurred, the target, PRC Holdco, was a Sino-foreign joint venture. Accordingly, the acquisition was subject to the Provisions for the Alteration of Investors' Equities in Foreign-funded Enterprises (《外商投資企業投資者股權變更的若干規定》) rather than the M&A Rules. Accordingly, the acquisition of PRC Holdco is not subject to approval from MOFCOM and the overseas listing of the special purpose vehicle is not subject to prior approval from CSRC under the M&A Rules.