PRC GOVERNMENT REGULATION

A significant portion of the Group's business is subject to Chinese laws, administrative regulations, departmental rules and other normative documents. This section sets out a summary of the most important and relevant industrial policies, laws, regulations and normative documents governing the Company's business operations.

I. INDUSTRIAL POLICIES

1. Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035

Pursuant to the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和 2035 年遠景目標綱要》) promulgated by the National People's Congress of the People's Republic of China (NPC) on March 12, 2021, China will formulate and implement strategic scientific programs and scientific projects in the basic and core areas concerning national security and development, and carry out pioneering and strategic national projects in artificial intelligence, quantum information, IC, life and health, brain science, biological breeding, aerospace science and technology, deep earth and deep sea, among other frontier fields. In addition, China will foster advanced manufacturing clusters and promote the innovation and development of industries such as IC, aerospace equipment, high-tech ships and ocean engineering equipment, robots, advanced railway equipment, advanced power equipment, engineering machinery, high-end CNC machine tools, medicine and medical equipment.

2. The National Informatization Plan during the 14th Five-Year Plan period

Pursuant to the National Informatization Plan during the 14th Five-Year Plan period (《"十四五"國家信息化規劃》) released by the Office of the Central Cyberspace Affairs Commission on December 27, 2021, China will accelerate the development of key technologies of IC, and promote innovation in computing chips, memory chips, etc., accelerate the research and development of key materials such as IC design tools, etc.

3. The Development of Digital Economy during the 14th Five-Year Plan period

Pursuant to the Development of Digital Economy during the 14th Five-Year Plan period (《"十四五"數字經濟發展規劃》) issued by the State Council on December 12, 2021, China will focus on breakthroughs in key technologies in high-end chip and take the lead in the layout of integration and innovation of cutting-edge technologies, focus on the next-generation mobile communication technology, quantum information, neural chip, brain-like intelligence, DNA storage, third-generation semiconductor and other emerging technologies.

4. The National Intellectual Property Protection and Use Plan during the 14th Five-Year Plan period

Pursuant to the National Intellectual Property Protection and Use Plan during the 14th Five-Year Plan period (《"十四五"國家知識產權保護和運用規劃》) released by the State Council on October 9, 2021, China will promote the high-quality creation of intellectual property. Efforts should be made to improve upon the policies for supporting high-quality creation and strengthen the creation

and reserve of independent intellectual property in fields such as artificial intelligence, quantum information, IC, basic software, life health, brain science, biological breeding, aerospace technology and deep earth and sea exploration.

5. Several Policies for Promoting the High-quality Development of IC and Software Industries in the New Era

Pursuant to the Several Policies for Promoting the High-quality Development of IC and Software Industries in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》) issued by the State Council on July 27, 2020, key IC design enterprises and software enterprises encouraged by the State are exempted from EIT from the first to the fifth year from the profit-making year and shall be subject to EIT at a reduced tax rate of 10% for subsequent years.

6. Outline of Regional Integration Development Plan in the Yangtze River Delta

Pursuant to the Outline of Regional Integration Development Plan in the Yangtze River Delta (《長江三角洲區域一體化發展規劃綱要》) promulgated by the Central Committee of the Communist Party of China and State Council on December 1, 2019, China will focus on ten key areas including IC and accelerate the development of IC industry chain, etc., and cultivate a number of leading enterprises with international competitiveness. Furthermore, China will actively develop frontier industries such as biomedicine, IC, etc. in the China (Shanghai) Pilot Free Trade Zone and deliberate tax supporting policies.

7. Catalog on Readjustment of Industrial Structure (Version 2024)

Pursuant to the Catalog on Readjustment of Industrial Structure (Version 2024) (《產業結構調整指導目錄（2024年本）》) released by the NDRC on December 27, 2023 and effective on February 1, 2024, the design, package and test of IC are included as encouraged projects.

8. Catalog on Key Products and Services of Strategic Emerging Industries (Version 2016)

Pursuant to the Catalog on Key Products and Services of Strategic Emerging Industries (Version 2016) (《戰略性新興產業重點產品和服務指導目錄（2016版）》) issued by the NDRC on January 25, 2017, the design and services of IC chip are designated as the key products and services of strategic emerging industries.

9. National Innovation-driven Development Strategy Outlines

According to the National Innovation-driven Development Strategy Outlines (《國家創新驅動發展戰略綱要》) enacted on May 19, 2016, China will strive to make technological breakthrough and promote integration circuits and other independent hardware and software products and cybersecurity to provide safeguard for China's economic transformation and upgrade and the maintenance of national cybersecurity. For 2020, China will continue to accelerate the implementation of major national scientific and technological projects that have been deployed, focus on the target and highlight the key points, capture the core technologies in high-end general-purpose chips, high-end CNC machine tools, IC equipment and other aspects, form a number of strategic technologies and strategic products, and foster emerging industries.

10. Outline for Promoting the Development of National Integrated Circuit Industry

As is stipulated in the Outline for Promoting the Development of National IC Industry (《國家集成電路產業發展推進綱要》) released on June 24, 2014, (i) great efforts shall be put on the development of IC design industry. China shall, by focusing on the industrial chain of key areas, strengthen IC design, software development, system integration, collaborative innovation in contents and services so as to drive the growth manufacturing industry by the rapid development of design industry; (ii) the development of IC manufacturing industry shall be accelerated. China shall, by seizing the favorable opportunity of technological reform, break the bottleneck of investment and financing and continue to promote the construction of advanced production lines; (iii) the development level of advanced packaging and testing industry shall be improved. China shall vigorously promote the merger and reorganization of domestic packaging and testing enterprises and increase industrial concentration, etc.

11. Urgent Notice on the Rules for Determining the "Place of Origin" of Semiconductor Products

As stipulated in the Urgent Notice on the Rules for Determining the "Place of Origin" of Semiconductor Products (《中國半導體行業協會關于半導體產品"原產地"認定規則的緊急通知》) issued by the China Semiconductor Industry Association (《中國半導體行業協會》) in 2025, the origin of semiconductor products is primarily determined by the location where the wafer fabrication is completed. This rule ensures clarity and consistency in origin declarations, facilitating international trade and regulatory compliance.

12. Several Policy Measures for Promoting the Healthy Development of Online New Economy in Shanghai

As outlined in the Several Policy Measures for Promoting the Healthy Development of Online New Economy in Shanghai (《上海市促進在綫新經濟健康發展的若干政策措施》), the city of Shanghai has introduced a series of initiatives aimed at fostering the growth and innovation of the online new economy. These measures include substantial support for the digital transformation of traditional industries, the creation of a robust innovation ecosystem through funding and collaboration, and the establishment of a favorable regulatory environment to encourage compliance and innovation. By leveraging advanced technologies such as big data, artificial intelligence, and the IoT, Shanghai aims to enhance economic growth and social development through the vibrant development of the online new economy.

13. 14th Five-Year Plan for Utilizing Foreign Investment

As stipulated in the 14th Five-Year Plan for Utilizing Foreign Investment (《"十四五" 利用外資發展規劃》), the Chinese government aims to guide foreign investment towards key strategic industries, including IC. This initiative seeks to enhance the technological capabilities and industrial competitiveness of China's semiconductor sector by attracting high-quality foreign capital and advanced technologies. By focusing on sectors such as IC, the plan aims to foster innovation and sustainable development, thereby strengthening China's position in the global semiconductor market.

14. Notice on Import Tax Policies to Support the Development of the IC and Software Industries

As stipulated in the Notice on Import Tax Policies to Support the Development of the IC and Software Industries (《關于支持集成電路產業和軟件產業發展進口税收政策的通知》) issued by the

Ministry of Finance (MOF), the General Administration of Customs of the People's Republic of China (GAC), and the State Taxation Administration (STA) in March 16, 2021, enterprises in the IC and software sectors are granted preferential import tax policies. These policies aim to reduce the import costs of necessary equipment, materials, and components, thereby enhancing the competitiveness of domestic enterprises. By providing tax exemptions and reductions, the notice supports the technological innovation and sustainable development of the IC and software industries, strengthening China's position in these strategic sectors.

15. Guidelines on Expanding Investment in Strategic Emerging Industries and Cultivating New Growth Points and Poles

As stipulated in the Guidelines on Expanding Investment in Strategic Emerging Industries and Cultivating New Growth Points and Poles (《關于擴大戰略性新興產業投資培育壯大新增長點增長極的指導意見》) issued by the NDRC, the Ministry of Science and Technology, the MIIT, and the MOF in September 8, 2020, the Chinese government aims to increase investment in strategic emerging industries, including IC, to foster new growth drivers. This initiative seeks to enhance the technological capabilities and industrial competitiveness by attracting investment and promoting innovation in key areas, thereby driving sustainable economic development and strengthening China's position in the global market.

16. Guidelines on Further Stimulating the Vitality of Private Investment and Promoting Sustainable and Sound Economic Development

As stipulated in the Guidelines on Further Stimulating the Vitality of Private Investment and Promoting Sustainable and Sound Economic Development (《關于進一步激發民間有效投資活力促進經濟持續健康發展的指導意見》) issued by the General Office of the State Council in September 1, 2017, the government aims to leverage fiscal funds to attract various types of social capital through investment subsidies, capital injections, and the establishment of funds. This initiative seeks to support enterprises in intensifying technological upgrades and increasing investment in key areas and weak links, including IC.

II. MAJOR LAWS, REGULATIONS AND NORMATIVE DOCUMENTS

1. Regulations relating to Intellectual Properties

(i) Patent

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the Standing Committee of the NPC on March 12, 1984, which was latest revised on October 17, 2020 and came into force on June 1, 2021, and the Implementing Regulations 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》), promulgated by the State Council on June 15, 2001, latest revised on December 11, 2023, and effective from January 20, 2024, an invention-creation referred to in those laws shall mean an invention, utility model or design. The patent bureau under the China National Intellectual Property Administration (CNIPA) shall be responsible for administration of patent matters nationwide, accept and examine patent applications on a unified basis and grant patent rights pursuant to the law. The patent administrative departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for patent administration matters within their respective administrative regions. Inventions and utility models for which patent rights are granted shall possess

novelty, creativity and practicality. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date. Following the grant of patent rights for an invention or a utility model or design, no organization or individual shall implement the patent without licensing from the patentee. The limitation of action for infringement of patent rights shall be three years, commencing from the date on which a patentee or interested party becomes or should become aware of the infringing act and the infringer.

(ii) Trademark

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the Standing Committee of the NPC on August 23, 1982, latest revised on April 23, 2019 and implemented on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002, latest revised on April 29, 2014, and implemented on May 1, 2014, trademarks approved and registered by the trademark bureau under the CNIPA are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks. Trademark registrants enjoy exclusive rights to use trademark and are protected by the law. The trademark bureau under the CNIPA shall be in charge of trademark registration and administration nationwide and be responsible for handling trademark disputes. Natural persons, legal persons or any other organizations that need to obtain exclusive rights to use trademark for their commodities or services in the course of their manufacturing and business activities shall apply to a trademark bureau for trademark registration. Any mark which can differentiate the commodities of a natural person, legal person or any other organization with the commodities of others, including text, graphics, alphabets, numbers, three-dimensional mark, color combination and sound, etc. and a combination of the aforesaid elements, may be registered as a trademark. A registered trademark shall be valid for 10 years, commencing from the date of registration. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, it shall complete renewal formalities pursuant to the provisions within the 12-month period before the expiry date; where renewal formalities are not completed within the stipulated period, a six-month extension may be allowed. The validity period of each renewal shall be 10 years, commencing from the date following expiry of the preceding validity period of the said trademark. Where renewal formalities are not completed upon expiry of the validity period, the registered trademark shall be canceled. In the event of a dispute arising from any of the acts of infringement of exclusive rights to use registered trademarks, the parties concerned shall negotiate for resolution; where the parties concerned are unwilling to negotiate or where negotiation is unsuccessful, the trademark registrant or a stakeholder may file a lawsuit with a People's Court or request that the trademark bureau under the CNIPA handle the dispute.

(iii) Copyright

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 Standing Committee of the NPC on September 7, 1990, latest revised on November 11, 2020 and implemented on June 1, 2021, and the Implementing Regulations of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002, latest revised on January 30, 2013, and implemented on March 1, 2013, Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, whether published or not, in accordance with this Law.

Copyright shall belong to the author, unless otherwise stipulated in this Law. Copyright shall include the following personal rights and property rights: publication right, right of authorship, right of revision, right to preserve the integrity of work, reproduction right, distribution right, rental right, exhibition right, performance right, screening right, broadcasting right, information network transmission right, filming right, adaptation right, translation right, compilation right, and any other rights enjoyed by a copyright holder. The period of protection of right of authorship, right of revision, right to preserve the integrity of work of an author shall not be subject to restriction. The period of protection of other copyrights shall be the entire life span of the author and 50 years following his/her death for a natural person and 50 years for a legal person or unincorporated organization.

According to the Measures for Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration (NCA) on February 20, 2002, latest revised on June 18, 2004, and implemented on July 1, 2004, and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on December 20, 2001, latest revised on January 30, 2013, and implemented on March 1, 2013, Chinese citizens, legal persons and other organizations shall enjoy copyright on software they develop in accordance with this Law, regardless of whether the software is released publicly or not. A software copyright holder may carry out registration formalities with the NCA. A registration certificate issued by the NCA shall be a *prima facie* evidence for having been registered. Fees shall be charged for the registration of computer software. Software copyright commences from the date on which the development of the software is completed. The protection period for a natural person's software copyright shall be the natural person's whole lifetime plus 50 years after his/her death. The protection period for software copyright of a legal person or organization shall be 50 years, concluding on December 31 of the 50th year after the software's initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive the protection of this Law.

(iv) Layout-Designs of IC

Pursuant to the Regulations for the Protection of the Layout Design of IC (《集成電路布圖設計保護條例》) promulgated by the State Council on April 2, 2001 and implemented on October 1, 2001 and its implementation rules, proprietary rights in layout designs shall become valid after being registered, any unregistered layout designs are not protected by this Law. Holders of proprietary rights in a layout design shall enjoy the following proprietary rights: (i) to duplicate the whole protected layout design or any part of the design that is original; and (ii) to make commercial use of the protected layout design, the IC containing the said layout design, or commodities containing the said IC. The protection period of the proprietary rights in a layout design is ten (10) years, commencing from the date of the application for registration of the layout design or the date that it is put into commercial use anywhere in the world, whichever is earlier. However, regardless of whether or not a layout design is registered, or whether or not it is put into commercial use, it shall no longer be protected by this Law after fifteen (15) years from the time of its creation.

2. Regulations relating to Foreign Investment

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), promulgated by the NPC on March 15, 2019, and effective January 1, 2020, clarifies that the state implements a management system of pre-establishment national treatment plus a negative list for foreign investment. "Pre-establishment national treatment" means that foreign investors and their

investments are accorded treatment no less favorable than that accorded to domestic investors and their investments at the investment access stage. The "negative list" refers to the special administrative measures for market access that the state stipulates for foreign investment in specific fields. The state grants national treatment to foreign investment outside the negative list. In addition, the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》), effective from January 1, 2020, further stipulates that the state formulates a catalog of industries encouraged for foreign investment in accordance with the needs of national economic and social development, specifying particular industries, fields, and regions to encourage and guide foreign investment.

Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), jointly promulgated by the Ministry of Commerce and the SAMR on December 30, 2019, and effective from January 1, 2020, foreign investors who directly or indirectly conduct investment activities within the territory of China shall promptly submit investment information to the competent commerce authorities by the foreign investor or the foreign-invested enterprise.

Investments in the PRC by foreign investors are regulated by the Special Administrative Measures (Negative List) for Foreign Investment Access (Version 2024) (《外商投資准入特別管理措施（負面清單）（2024年版）》), the latest version of which was promulgated by the NDRC and the Ministry of Commerce on September 6, 2024 and became effective from November 1, 2024. The Negative List sets out the requirements on equity and senior executives and other special administrative measures for foreign investment access. Fields not mentioned in the Negative List for foreign investment access shall be subject to administration under the principle of consistency for domestic and foreign investments. The business of the Company and its domestic subsidiaries does not fall into the Negative List.

3. Regulations relating to Foreign Exchange

Pursuant to the Regulation of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, last amended on August 5, 2008 and implemented on the same date, the State shall not impose restrictions on regular international payments and transfers. The foreign exchange receipts of domestic organizations and domestic individuals may be remitted into China or deposited overseas; the criteria and time-limit for remittance into China or overseas deposits, etc. shall be stipulated by the State Administration of Foreign Exchange (SAFE) according to the status of international balance of payments and foreign exchange control requirements. Overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the SAFE or its local branches. Overseas organizations and overseas individuals engaging in issuance and trading of quoted securities or derivatives in China shall comply with the market entry provisions of the State and process registration formalities pursuant to the provisions of the SAFE. Domestic organizations and domestic individuals making direct investments overseas or engaging in issuance and trading of quoted securities and derivatives overseas shall process registration formalities pursuant to the provisions of the SAFE. Where the State stipulates that prior approval by or filing with the relevant authorities in charge is required, the approval or filing formalities shall be processed prior to foreign exchange registration formalities.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關

于進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by the SAFE on February 13, 2015 and effective from June 1, 2015, banks shall directly review and handle the foreign exchange registration for domestic and overseas direct investments on behalf of the SAFE. The SAFE and its branches shall exercise indirect supervision over the foreign exchange registration for direct investments conducted through banks.

As stipulated in the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關于改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE and implemented on June 9, 2016, revised on December 4, 2023 by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關于進一步深化改革促進跨境貿易投資便利化的通知》), the foreign exchange receipts under the capital account of a domestic institution and the RMB funds obtained from foreign exchange settlement may be used for expenditures under the current account within its business scope or the expenditure under the capital account permitted by laws and regulations. Domestic institutions shall comply with the following provisions in using their foreign exchange receipts under the capital account and RMB funds obtained from foreign exchange settlement: (i) Such receipts and funds shall not, directly or indirectly, be used for the expenditures beyond the business scope of domestic institutions or the expenditures prohibited by laws and regulations of the State; (ii)Unless otherwise expressly provided, such receipts and funds shall not be used directly or indirectly for investment in securities or other investment and wealth management (except for wealth management products and structured deposits with risk rating results not higher than Level 2; (iii) Such receipts and funds shall not be used for the granting of loans to non-affiliated enterprises, with the exception that such granting is expressly permitted in the business license; and (iv) Such receipts and funds shall not be used for purchase of real estate for purpose other than self-use (exception applies for real estate or real estate leasing enterprises).

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming the Foreign Exchange Settlement Management of Foreign-Invested Enterprises' Capital (《國家外匯管理局關于改革外商投資企業外匯資本金結匯管理方式的通知》) issued by the SAFE on March 30, 2015 and effective from June 1, 2015, foreign-invested enterprises can use the RMB funds obtained from their foreign exchange capital for equity investment. The foreign exchange capital in the capital account of a foreign-invested enterprise, which has been confirmed by the foreign exchange administration or registered by the bank, can be settled in a bank according to the actual business needs of the enterprise. The voluntary settlement ratio of foreign-invested enterprises' foreign exchange capital is temporarily set at 100%. The SAFE may adjust this ratio in a timely manner according to the balance of payments situation.

The SAFE issued the Notice on Further Promoting Cross-Border Trade and Investment Facilitation (《國家外匯管理局關于進一步促進跨境貿易投資便利化的通知》) on October 23, 2019, and revised it on December 4, 2023. It lifted the restrictions on non-investment foreign-invested enterprises using their capital for domestic equity investment. These enterprises can now use their capital for domestic equity investment as long as it complies with the Negative List and the projects are genuine and compliant.

On April 10, 2020, the SAFE released the Notice on Optimizing Foreign Exchange Management to Support Foreign-Related Business Development (《國家外匯管理局關于優化外匯管理支持涉外業務發展的通知》). Qualified enterprises no longer need to provide proof materials for each

transaction when using capital, foreign debt, and funds from overseas listings for domestic payments. However, the funds must be genuine, compliant, and in line with current regulations.

The Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Management and Improving the Review of Authenticity and Compliance (《國家外匯管理局關于進一步推進外匯管理改革完善真實合規性審核的通知》), promulgated by the SAFE on January 26, 2017, and effective on the same day, stipulates several capital control measures for profit remittances from domestic institutions to overseas entities. Specifically, when banks handle profit remittance transactions exceeding USD 50,000 (excluding) for domestic institutions, they shall review the board of directors' profit distribution resolution, the original tax filing form, and the audited financial statements in accordance with the principle of real transactions, and endorse the amount and date of the remittance on the original tax filing form. Domestic institutions must first legally offset any previous years' losses before remitting profits. Additionally, when domestic institutions handle registration and fund remittance procedures for overseas direct investment, in addition to providing the required review materials as stipulated, they must also explain to the banks the source of investment funds and the intended use (or plan) of the funds, and provide board resolutions, contracts, or other authenticity supporting documents.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control Pertaining to Overseas Listing (《國家外匯管理局關于境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014 and implemented on the same day, the SAFE and its branches and shall implement supervision, administration and inspection of business registration, account opening and usage, cross-border receipts and payments, fund remittance etc. involved in overseas listing of domestic companies. A domestic company shall complete registration formalities for overseas listing with the foreign exchange administration at its domicile of registration within 15 working days from completion of issuance for its overseas listing. Proceeds raised from overseas listing of a domestic company may be repatriated to China or deposited overseas, and the usage of proceeds shall be consistent with the relevant contents set out in the document or disclosure documents.

Pursuant to the Notice of the PBOC on Further Improving Policies of Cross-Border RMB Business to Promote Trade and Investment Facilitation (《中國人民銀行關于進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》) issued and implemented by the PBOC on January 5, 2018, for the investment income such as profits and dividends legally obtained by overseas investors in China, banks shall review relevant materials as required before processing cross-border RMB settlement and ensure free remittance of profits of foreign investors in accordance with the law. Domestic enterprises that issue RMB bonds abroad may, upon completing relevant formalities in accordance with macro-prudential regulations on comprehensive cross-border financing, remit the proceeds raised overseas to China for their use as actually needed. The RMB proceeds raised by domestic enterprises by issuing shares overseas may be remitted to China for use in light of their actual needs.

4. Regulations relating to Taxation

On May 21, 2022, the STA issued the Guidance on Tax and Fee Preferential Policies for Software and IC Enterprises (《軟件企業和集成電路企業税費優惠政策指引》). To facilitate timely understanding of the applicable tax preferential policies, the guidance clarifies the preferential content, conditions for enjoyment, and policy basis for IC enterprises.

(i) EIT

Pursuant to the EIT Law promulgated by the NPC on March 16, 2007, last amended on December 29, 2018 and implemented on the same date, and the Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (《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 latest revised and implemented on December 6, 2024, a resident enterprise shall mean an enterprise lawfully incorporated in China, or an enterprise lawfully incorporated pursuant to the laws of a foreign country (region) but where actual management functions are conducted in China. The EIT shall be at the rate of 25% for a resident enterprise. The State grants enterprise income tax incentives to key industries and projects supported and encouraged by the State.

Pursuant to the EIT law Announcement of the SAT on Issues Relating to Implementation of Income Tax Incentives for High-tech Enterprises (《國家税務總局關于實施高新技術企業所得税優惠政策有關問題的公告》), Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) and the Guidelines for the Administration of the Identification of High & New Technology Enterprises (《高新技術企業認定管理工作指引》), the relevant laws and regulations on enterprise income tax allow qualified high-tech enterprises to enjoy an enterprise income tax rate of 15% after reduction.

According to the Announcement on Enterprise Income Tax Policies for Promoting High-quality Development of IC Industry and Software Industry (《關于促進集成電路產業和軟件產業高質量發展企業所得税政策的公告》) jointly promulgated by the MOF, the STA and the MIIT on December 11, 2020, and implemented on January 1, 2020, key IC design enterprises and software enterprises encouraged by the State will be exempted from EIT from the first to the fifth year from the profit-making year and will be subject to EIT at a reduced tax rate of 10% in subsequent years.

As is stipulated in the Announcement on Income Tax Policies for IC Design and Software Enterprises (《關于集成電路設計和軟件產業企業所得税政策的公告》) jointly released by MOF and the STA on May 17, 2019 and implemented on the same day, IC design enterprises and software enterprises established pursuant to the law and satisfying the criteria shall enjoy an incentive period with effect from their profit-making year(s) prior to December 31, 2018, and be exempted from enterprise income tax for the first year to the second year, and pay enterprise income tax based on 50% off the statutory 25% tax rate from the third year to the fifth year, until the incentive period expires.

(ii) VAT

Pursuant to the Provisional Regulations of the People's Republic of China on VAT(《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, last amended on November 19, 2017 and implemented on the same date, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on VAT (《中華人民共和國增值税暫行條例實施細則》), promulgated by the MOF on December 15, 1993, last revised on October 28, 2011, and effective from November 1, 2011, organizations and individuals engaging in sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovables and importation of goods in the People's Republic of China shall be taxpayers of VAT, and shall pay VAT pursuant to this Regulation. (i) The tax rate for taxpayers engaging in sale of goods, services, lease of tangible movables or importation of goods shall be 17%, unless otherwise stipulated in item (ii), item (iv) and item (v) of this Article; (ii) the tax rate for taxpayers engaging in sale of transportation, postal, basic telecommunications, construction, lease of immovables, sale of immovable, transfer of land use rights, sale or importation of the following goods shall be 11%; (iii) the tax rate for taxpayers engaging

in sale of services and intangible assets shall be 6%, unless otherwise stipulated in item (i), item (ii) and item (v) of this Article; (iv) the tax rate for taxpayers engaging in exportation of goods shall be zero, unless otherwise stipulated by the State Council; (v) the tax rate for organizations and individuals in China engaging in cross-border sale of services and intangible assets within the scope stipulated by the State Council shall be zero.

According to the Notice of the Ministry of Finance and the SAT on the Adjustment to VAT Rates (《財政部、國家税務總局關于調整增值税税率的通知》) jointly promulgated by the MOF and the STA on April 4, 2018, and implemented on May 1, 2018, the relevant policies for adjusting VAT rates are hereby notified as follows: (i) the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively; (ii) the deduction rate of 11% originally applicable to the taxpayers who purchase agricultural products is adjusted to 10%; (iii) when taxpayers purchase agricultural products for production, sales, or consignment processing, to which the tax rate of 16% is applicable, the input tax amount shall be calculated at the deduction rate of 12%; (iv) for the export goods to which a tax rate of 17% was originally applicable and the export rebate rate was 17%, the export rebate rate is adjusted to 16%. For the export goods and cross-border taxable activities to which a tax rate of 11% was originally applicable and the export rebate rate was 11%, the export rebate rate is adjusted to 10%; (v) for the goods or cross-border taxable activities specified in (iv) hereof that are exported or sold by foreign trade enterprises before July 31, 2018, if VAT has been levied at the rate not adjusted at the time of purchase, the export rebate rate not adjusted shall be applicable; if the VAT has been levied at the adjusted tax rate at the time of purchase, the adjusted export tax rebate rate shall be applicable. To the goods or cross-border taxable activities specified in (iv) hereof that are exported or sold by production enterprises before July 31, 2018, the export rebate rate not adjusted shall be applicable.

Pursuant to the Announcement on Policies for Deepening the VAT Reform (《關于深化增值税改革有關政策的公告》) jointly promulgated by the MOF, the STA and the GAC on March 20, 2019, and implemented on April 1, 2019, (i) for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively; (ii) for the agricultural products purchased by taxpayers to which an existing 10% deduction rate is applicable, the deduction rate is adjusted to 9%; and for the agricultural products purchased by taxpayers for production or commissioned processing, which are subject to VAT at 13%, the input VAT will be calculated at a 10% deduction rate; (iii) for the exportation of goods or labor services that are subject to VAT at 16%, with the applicable export refund at the same rate, the export refund rate is adjusted to 13%; and for the exportation of goods or cross-border taxable activities that are subject to VAT at 10%, with the export refund at the same rate, the export refund rate is adjusted to 9%.

On April 20, 2023, the MOF and the STA promulgated the Notice on the Value-Added Tax Super Deduction Policy for IC Enterprises (《關于集成電路企業增值税加計抵減政策的通知》). From January 1, 2023, to December 31, 2027, enterprises engaged in IC design, production, packaging and testing, equipment, and materials are permitted to super deduct 15% of the deductible input VAT from the payable VAT amount.

(iii) Withholding tax on dividends

Pursuant to the Arrangement between the Mainland 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于對所得避免雙重徵税和防止偷漏税的安排》), if a Hong Kong enterprise directly holds at least 25% of the equity in a Chinese enterprise, the withholding tax rate on dividends paid by the Chinese enterprise to the Hong Kong enterprise is reduced from the standard rate of 10% to 5%.

However, according to the Notice of the SAT on Issues Concerning the Implementation of the Dividend Clause in Tax Treaties (《國家税務總局關于執行税收協定股息條款有關問題的通知》), issued by the SAT on February 20, 2009, if the relevant Chinese tax authorities determine at their discretion that a company has benefited from a reduced income tax rate primarily due to tax-motivated structures or arrangements, the relevant Chinese tax authorities may adjust the preferential tax treatment. The Announcement of the SAT on Issues Concerning the "Beneficial Owner" in Tax Treaties (《國家税務總局關于税收協定中"受益所有人"有關問題的公告》), issued by the SAT on February 3, 2018, and effective from April 1, 2018, outlines factors that support or hinder the determination of whether an applicant qualifies as a "beneficial owner." Applicants who are not recognized as beneficial owners will not be eligible for the preferential income tax rate of 5% stipulated in the Avoidance of Double Taxation Arrangement.

5. Regulations relating to Environmental Protection

According to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) promulgated by the Standing Committee of the NPC on December 26, 1989, revised on April 24, 2014, and implemented on January 1, 2015, pollutant-discharging enterprises, institutions and other manufacturing operators shall pay sewage fee pursuant to the relevant provisions of the State and the sewage fees shall be used entirely for prevention and treatment of environmental pollution. The State shall implement a pollutant discharge permit administration system. Enterprises, institutions and other manufacturing operators subject to pollutant discharge permit administration shall discharge pollutants pursuant to the requirements of the pollutant discharge permit; discharge of pollutants shall not be allowed without a pollutant discharge permit.

On October 28, 2002, the Standing Committee of the NPC promulgated the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), which was last revised on December 29, 2018. The State Council shall implement classified management of environmental impact assessments for construction projects based on the degree of environmental impact of the projects. If a construction unit commences construction without lawfully obtaining approval for the environmental impact assessment report or form, or without reapplying for such approval, the competent ecological environment authorities at or above the county level shall order the cessation of construction. Depending on the severity of the violation and its consequences, a fine ranging from 1% to 5% of the total investment of the construction project may be imposed, and the unit may be ordered to restore the site to its original condition. Administrative sanctions shall be imposed on the persons in charge of the construction project and other responsible persons in accordance with the law.

Pursuant to the Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which came into effect on November 20, 2017, and the Regulations on Environmental Protection Administration of Construction Projects (《建設項目環境保護管理條例》), revised on July 16, 2017, and effective from October 1, 2017, after the completion of construction projects that require the preparation of an environmental impact assessment report or form, the construction unit shall conduct an environmental protection completion acceptance and prepare an acceptance report in accordance with the standards

and procedures set by the environmental protection administrative authorities. Construction projects that require the preparation of an environmental impact assessment report or form may only be put into production or use after passing the environmental protection completion acceptance.

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented on March 1, 2021, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》), promulgated on April 1, 2024, and implemented on July 1, 2024, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge permit administration in accordance with laws shall apply for and obtain a pollutant discharge permit. The entities that fail to obtain a pollutant discharge permit shall not discharge any pollutants. Classified management of pollutant discharge permits shall be implemented for pollutant discharging entities based on the factors such as the amount of pollutants produced and discharged, extent of impact on the environment, etc.: (i) key management of pollutant discharge permits shall be implemented for pollutant discharging entities that produce or discharge a relatively large amount of pollutants or have a relatively significant impact on the environment; and (ii) simplified management of pollutant discharge permits shall be implemented for pollutant discharging entities that produce and discharge a relatively small amount of pollutants or have a relatively little impact on the environment.

Enterprises and other business operators listed in the Catalog of Categorized Management for Pollutant Discharge Permits of Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit within the prescribed time limit. Those who have not obtained a pollutant discharge permit are not allowed to discharge pollutants. According to the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》), promulgated by the State Council in 2013, and the Measures for the Administration of Permits for Discharging Sewage into Urban Drainage Networks (《城鎮污水排入排水管網許可管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development in 2015 and latest revised and effective from February 1, 2023, enterprises, institutions, and individual businesses engaged in industrial, construction, catering, medical services, and other activities shall apply to the urban drainage authorities for a permit to discharge sewage into the urban drainage network (pollutant discharge permit) before discharging sewage into urban drainage facilities. Those who discharge sewage into urban drainage facilities without obtaining a pollutant discharge permit will be ordered by the relevant urban drainage authorities to cease illegal activities, take corrective measures within a specified period, reapply for a pollutant discharge permit, and may be subject to a fine of up to RMB 500,000.

6. Regulations relating to Labor Protection

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》), which was promulgated by the Standing Committee of the NPC on July 5, 1994 and most recently revised and implemented on December 29, 2018, is one of the major laws regulating the labor relationship between Chinese enterprises and its employees. As is stipulated by the law, a worker shall enjoy the right to equal employment and to choose an occupation, the right to obtain labor remuneration, the right to rest and have holidays, the right to receive labor safety and hygiene protection, the right to receive vocational training, the right to enjoy social security and welfare, the right to request settlement of labor disputes and other labor rights stipulated by the law. An employer shall establish and improve its rules and regulations in accordance with the law in order to ensure that its workers enjoy labor rights and perform labor obligations. A worker shall, in accordance with the provisions of law, participate in democratic management through a workers' congress, workers' representative assembly or other

forms, or carry out consultation on the basis of equality with his/her employer concerning the protection of legitimate rights and interests of workers.

Pursuant to the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), which was promulgated by the Standing Committee of the NPC and most recently revised on December 28, 2012 and implemented on July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), promulgated by the State Council on September 18, 2008, and implemented on the same date, the laws shall apply to establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise entities, etc. in the People's Republic of China and their workers and the conclusion, performance, variation, rescission or termination of labor contracts. Employers shall establish and improve upon labor rules and system pursuant to the law to ensure workers' entitlement to labor rights and performance of labor obligations. A written labor contract shall be concluded for the establishment of a labor relationship. Where a written labor contract is not concluded simultaneously with the establishment of a labor relationship, a written labor contract shall be concluded within one month from the date of commencement of work. Where the term of a labor contract is more than three months but less than one year, the probationary period shall not exceed one month; where the term of a labor contract is more than one year but less than three years, the probationary period shall not exceed two months; for fixed-term contracts of three years and above and non-fixed-term labor contracts, the probationary period shall not exceed six months. Where an employer defaults on payment or fails to promptly pay labor remuneration in full amount, a worker may apply to a People's Court for an order for payment and the People's Court shall issue an order for payment pursuant to the law.

7. Regulations relating to Social Security and Housing Provident Fund

Pursuant to the Social Security Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the Standing Committee of the NPC on October 28, 2010, which was last amended on December 29, 2018, and came into effect on the same date, and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》), promulgated by the State Council on January 22, 1999, and last revised on March 24, 2019, the State shall establish social security systems including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, maternity insurance. The work injury insurance and maternity insurance shall be paid by employers, while the basic pension, basic medical insurance and unemployment insurance shall be paid jointly by employers and employees.

In accordance with the Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and mostly revised and implemented on March 24, 2019, an employer shall make registration of contribution to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of its employees. When employing a new employee, the employer shall make registration of contribution with the housing provident fund management center within 30 days from the date of the employment, and shall go through the formalities of opening or transferring housing provident fund accounts on behalf of the employee. The housing provident fund contributed both by employees and that by the employers shall be owned by the employees.

8. Regulations relating to Real Estate

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), promulgated by the NPC on May 28, 2020, and effective from January 1, 2021, the establishment, alteration, transfer, and extinguishment of real property rights shall be registered in accordance with the provisions of the law. The establishment and transfer of movable property rights shall be delivered in accordance with the provisions of the law. The owner of real or movable property shall, in accordance with the law, enjoy the rights to possess, use, derive income from, and dispose of such property.

Pursuant to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) promulgated by the Standing Committee of the NPC on June 25, 1986, latest revised on August 26, 2019 and implemented on January 1, 2020, and the Implementation Regulations of the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》), promulgated by the State Council on December 27, 1998, latest revised on July 2, 2021, and effective from September 1, 2021, the State implements socialist public ownership of land, i.e. ownership by the whole people and collective ownership of the working class. Ownership by the whole people means that the ownership of all land in the State is exercised by the State Council on behalf of the State. Downtown area land in cities shall belong to the State. Land use rights may be transferred pursuant to the law. The State implements a State land compensated use system pursuant to the law, except for allocation of State-owned land use rights by the State within the scope stipulated by the law. Developers using State-owned land shall obtain the land via compensated use method such as assignment. Developers which obtain State-owned land use rights via compensated use method such as assignment shall pay land compensated use fee such as land use rights assignment fee and other expenses pursuant to the standards and methods stipulated by the State Council before using the land.

According to the Law of the People's Republic of China on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》) promulgated by the Standing Committee of the NPC on July 5, 1994, latest revised on August 26, 2019 and implemented on January 1, 2020, the State shall implement a system for compensated use of State-owned land within a fixed term. Land users shall pay land use right assignment fee pursuant to the provisions of the assignment contract; where a land user fails to pay land use right assignment fee pursuant to the provisions of the assignment contract, the land administration authorities shall have the right to rescind the contract and may demand default compensation. In the event of a transfer or mortgage of real estate, the ownership of the building and the land use right of the land occupied by the building shall be transferred or mortgaged simultaneously. In the event of transfer or mortgage of a real estate item, the parties concerned shall complete ownership registration. Where the land use right is obtained by way of assignment or allocation, registration formalities shall be completed with the land administration authorities of a People's Government of county level and above; upon verification by the land administration authority of the People's Government of county level and above, a land use right certificate shall be issued by the People's Government at the same level. Where a building is built on real estate development land which was obtained pursuant to the law, the land use right certificate shall be presented for completion of registration formalities with the real estate administration authorities of a People's Government of county level and above; the real estate administration authorities of the People's Government of county level and above shall issue a building ownership certificate upon verification. In the event of a transfer of or change in real estate, registration change formalities shall be completed with the real estate administration authorities of a People's Government of county level and above, and the amended building ownership certificate shall be presented to the land administration authorities of the People's

Government for completion of land use right registration change formalities; upon verification by the land administration authorities of the People's Government, the People's Government shall re-issue or amend the land use right certificate.

As is stipulated in the Provisional Regulations of the People's Republic of China concerning the Grant and Assignment of the Right to Use State Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) released by the State Council on May 19, 1990 and latest revised on November 29, 2020 and implemented on the same date, the maximum terms of grants of the right to use land shall be determined in light of the land's purpose, as follows: (i) 70 years in the case of land for residential purposes; (ii) 50 years in the case of land for industrial purposes; (iii) 50 years in the case of land for educational, scientific, technological, cultural, public health or sports purposes; (iv) 40 years in the case of land for commercial, tourism or recreational purposes; (v) 50 years in the case of land for comprehensive use or other purposes.

Pursuant to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), promulgated by the Standing Committee of the NPC on October 28, 2007, and last revised and effective on April 23, 2019, any construction of buildings, structures, roads, pipelines, and other engineering projects within the planning areas of cities and towns shall be subject to the approval of a construction project planning permit by the urban and rural planning authorities of the city or county people's government, or by the town people's government designated by the people 's government of a province, autonomous region, or municipality directly under the Central Government.

Pursuant to the Building Law of the People's Republic of China (《中華人民共和國建築法》), promulgated by the Standing Committee of the NPC on November 1, 1997, and last amended and effective on April 23, 2019, before the commencement of any construction project, the construction unit shall apply to the construction administrative department of the people's government at or above the county level where the project is located for a construction permit in accordance with relevant national regulations. However, small-scale projects below the limit determined by the construction administrative department of the State Council are exempted. A construction project may only be delivered for use after it has been inspected and found to be qualified upon completion. Projects that have not been inspected or have failed the inspection shall not be delivered for use.

Pursuant to the Measures for the Administration of Commodity House Leasing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban- Rural Development on December 1, 2010, and effective from February 1, 2011, the landlord and tenant shall, within 30 days after the signing of the house lease contract, go to the construction (real estate) department of the people's government of the municipality directly under the Central Government, city, or county where the leased house is located to handle the registration and filing of the house lease. Individuals or entities that violate the aforementioned provisions shall be ordered by the construction (real estate) department of the people's government of the municipality directly under the Central Government, city, or county to make corrections within a specified period. If an individual fails to correct the violation within the time limit, a fine of up to RMB 1,000 shall be imposed; if an entity fails to correct the violation within the time limit, a fine ranging from RMB 1,000 to RMB 10,000 shall be imposed.

9. Regulations relating to Overseas Securities Issuance and Listing by Domestic Enterprises

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) was promulgated by the Standing Committee of the NPC on December 29, 1998, and was last revised on

December 28, 2019, coming into effect on March 1, 2020. It comprehensively regulates activities in the securities market of Mainland China, including the issuance and trading of securities, listed companies, securities exchanges, securities firms, acquisitions, and the responsibilities of securities regulatory authorities. The Securities Law further stipulates that domestic enterprises issuing securities overseas or listing their securities on overseas markets must comply with relevant regulations of the State Council. For stocks of domestic companies that are subscribed and traded in foreign currencies, specific measures shall be separately stipulated by the State Council. The China Securities Regulatory Commission (CSRC) is the securities regulatory body established by the State Council, responsible for the lawful supervision and management of the securities market, maintaining market order, and ensuring the legal operation of the market. At present, the issuance and trading of H-shares by domestic enterprises are mainly regulated by regulations and rules promulgated by the State Council and the CSRC.

In accordance with the Interim Measures for the Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and related guidance, promulgated by the CSRC on February 17, 2023, and effective from March 31, 2023, domestic enterprises seeking to issue securities and list on overseas markets shall handle the filing procedures with the CSRC as required by the Interim Measures. For the initial public offering of shares or listing on overseas markets, enterprises shall file with the CSRC within three working days after submitting the relevant overseas applications.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Management of Domestic Enterprises' Overseas Securities Issuance and Listing (《關于加强境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), jointly issued by the CSRC and other relevant departments on February 24, 2023, and effective from March 31, 2023, domestic enterprises and securities companies and securities service institutions providing corresponding services in the activities of overseas securities issuance and listing by domestic enterprises shall strictly comply with the requirements, enhance their legal awareness of keeping state secrets and strengthening archives management, and establish and improve systems for confidentiality and archives work. Necessary measures shall be taken to implement the responsibilities for confidentiality and archives management, and no state secrets or work secrets of state organs shall be disclosed, nor shall any actions be taken that may harm national interests or public interests. If a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listing entity, any documents or materials involving state secrets or work secrets of state organs to securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, it shall obtain approval from the competent authorities with approval power in accordance with the law and file with the confidentiality administrative department at the same level. If a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listing entity, other documents or materials whose disclosure may have an adverse impact on national security or public interests to securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, it shall strictly follow the relevant procedures in accordance with national regulations.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》), promulgated by the Ministry of Commerce on September 6, 2014, and effective from October 6, 2014, the Ministry of Commerce and the provincial-level commerce authorities shall implement a filing or approval management system for overseas investment by enterprises, depending on the

specific circumstances of the investment. Overseas investments involving any sensitive countries or regions, or any sensitive industries, shall be subject to approval management. Other circumstances of overseas investment shall be subject to filing management.

Pursuant to the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》), promulgated by the NDRC on December 26, 2017, and effective from March 1, 2018, enterprises within China ("**Investment Entities**") conducting overseas investments shall fulfill procedures for approval or filing of overseas investment projects ("**Projects**"), report relevant information, and cooperate with supervision and inspection. The scope of approval management includes sensitive projects directly conducted by the Investment Entity or through its controlled overseas enterprises. The scope of filing management includes non-sensitive projects directly conducted by the Investment Entity, that is, projects involving direct investment of assets, rights and interests, or provision of financing or guarantees by the Investment Entity. The aforementioned "sensitive projects" refer to projects involving sensitive countries or regions and sensitive industries. The NDRC promulgated the Catalog of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄（2018年版）》), effective from March 1, 2018, which details the current sensitive industries.

10. Regulations relating to Product Quality

Pursuant to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), promulgated by the Standing Committee of the NPC on February 22, 1993, and last revised on December 29, 2018, producers and sellers shall establish and improve internal product quality management systems and strictly implement quality standards, quality responsibilities, and corresponding assessment methods for each position. The law prohibits the forgery or unauthorized use of certification marks and other quality marks; it also prohibits the forgery of the place of production of products, as well as the forgery or unauthorized use of the names and addresses of other manufacturers. Additionally, it is forbidden to adulterate or fake products during production or sales, or to pass off inferior products as genuine or high-quality ones. Any producer or seller who violates the Product Quality Law may (i) be subject to administrative penalties, including cessation of production or sales, orders to correct illegal activities, confiscation of illegally produced or sold products, imposition of fines, confiscation of illegal gains, and in severe cases, revocation of business licenses; and (ii) if the illegal activities constitute criminal offenses, they may face criminal liability.

11. Regulations relating to Fire Safety

Pursuant to the Fire Control Law of the People's Republic of China (《中華人民共和國消防法》), promulgated by the Standing Committee of the NPC on April 29, 1998, and last revised on April 29, 2021, the fire protection design and construction of construction projects must comply with the national engineering construction fire protection technical standards. For construction projects that require fire protection design in accordance with national engineering construction fire protection technical standards, a fire protection design review and acceptance system for construction projects shall be implemented. Upon completion of construction projects that are required to apply for fire protection acceptance according to the provisions of the Ministry of Housing and Urban-Rural Development, the construction unit shall apply to the competent housing and urban-rural development department for fire protection acceptance. For other construction projects not specified in the preceding paragraph, the construction unit shall file with the competent housing and urban-rural development department after acceptance, and the housing and urban-rural development department shall conduct random checks.

Construction projects that are required to undergo fire protection acceptance by law shall not be put into use unless they have passed the fire protection acceptance. Other construction projects that fail the random inspection shall be stopped from use.

According to the Interim Provisions on the Management of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated on April 1, 2020, and revised on August 21, 2023, the review system for fire protection design and acceptance only applies to special construction projects, while other projects are subject to a filing and random inspection system.

Pursuant to the Interim Measures for the Administration of Fire Safety of Leased Factories and Warehouses (《租賃廠房和倉庫消防安全管理辦法（試行）》), promulgated by the National Fire Rescue Administration on July 14, 2023, and effective on the same day, the lessors, lessees, and property service companies of leased factories and warehouses shall fulfill relevant fire safety responsibilities and strengthen fire safety management. In addition, leased factories and warehouses shall comply with fire safety requirements and shall not change the use nature and function of the factories and warehouses in violation of regulations.

12. Regulations relating to Equity Incentive Plan

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange in Connection with Participation in Equity Incentive Plans of Overseas-listed Companies by Individuals within the Territory of China (《國家外匯管理局關于境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued on February 15, 2012, and other relevant regulations, directors, supervisors, senior management personnel, and other employees who are Chinese citizens or non-Chinese citizens residing in China for no less than one year and participate in equity incentive plans of overseas-listed companies must, except for a few exceptions, register with the SAFE through a domestic agent. In addition, it is mandatory to engage an overseas trustee to handle the exercise or sale of equity and the purchase or sale of shares and related rights and interests. Foreign exchange income obtained by Chinese residents from the sale of shares under the equity incentive plan and dividends distributed by the overseas-listed company shall be remitted to a bank account opened by a domestic institution in China and then distributed to Chinese residents.

13. Regulations relating to Imports and Exports Trade

Pursuant to the Customs Law of the People's Republic of China (《中華人民共和國海關法》), promulgated by the Standing Committee of the NPC on January 22, 1987, and last revised and effective on April 29, 2021, the customs declaration of import and export goods may be conducted by the consignee or consignor or by an entrusted customs declaration enterprise, unless otherwise stipulated. The consignee of imported goods and the consignor of exported goods shall make truthful declarations and submit the import and export licenses and relevant documents to the customs authorities for review.

Pursuant to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), promulgated by the Standing Committee of the NPC on May 12, 1994, and last revised on December 30, 2022, and the Regulations of the People's Republic of China on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), promulgated by the State Council of the People's Republic of China on December 10, 2001, effective from January 1, 2002, and

last revised on March 10, 2024, the State Council of the People's Republic of China permits the free import and export of goods, except for those explicitly prohibited or restricted by law or administrative regulations, to maintain a fair, free, and orderly import and export trade order.

The Provisions on the Recordal Administration of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) were promulgated by the GAC on November 19, 2021, and effective from January 1, 2022. Under these provisions, consignees, consignors, or customs declaration enterprises of imported or exported goods are only required to apply for recordal with the customs authorities, rather than registration with the GAC. The recordal information will be made public through the "China Customs Enterprise Import and Export Credit Information Publicity Platform."

Pursuant to the Notice of the Enterprise Management and Inspection Department of the People's Republic of China on Matters Relating to the Recordal of Consignees and Consignors of Import and Export Goods (《企業管理和稽查司關于進出口貨物收發貨人備案有關事宜的通知》), promulgated by the GAC on January 3, 2023, the requirement for foreign trade operators engaged in the import and export of goods or technologies to register with the competent foreign trade department of the State Council or its authorized institutions has been abolished.

U.S. GOVERNMENT REGULATIONS

1. U.S. Trade and Economic Sanctions

The United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") administers trade and economic sanctions, which generally include prohibitions on all trade (imports or exports), investment, provision or receipt of services, and any other activity or transaction between "U.S. persons" and any sanctioned country or sanctions target. In general, the scope of sanctions may reach one of a number of tiers based on factors including the foreign country or countries involved in a transaction and the types of services provided.

First, OFAC prohibits all activities described above involving entire countries, regions, or territories under comprehensive sanctions or "embargoes". The regulations also frequently provide for the "blocking" (or "**freezing**") of all property (whether tangible or intangible) of a targeted country or person and persons acting on behalf of the government of the target country. Currently, comprehensive embargoes are in place against Cuba, Iran, North Korea, Syria (until May 23, 2025), and the Crimea, Donetsk People's Republic ("**DNR**"), and Luhansk People's Republic ("**LNR**") Regions of Ukraine.

Second, persons may be prohibited from providing certain specified services to certain entities. These controls currently apply, for example, to Russia, which is not comprehensively sanctioned, and OFAC has instead specified certain transactions and services that are prohibited.

Third, many sanctions programs prohibit activities involving certain individuals and entities enumerated on one or more restricted party lists maintained by the U.S. government, such as persons included on the Specially Designated Nationals and Blocked Persons List (the "**SDN**" List), which includes persons determined to be engaged in activities contrary to U.S. national security (*e.g.*, global narcotics trafficking, global terrorism, and significant human rights violations). These prohibited persons may be located anywhere in the world.

Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

"Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, the definition of U.S. persons includes any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. Foreign entities that are majority owned or controlled by U.S. companies are, in some cases, subject to OFAC restrictions as well.

2. U.S. Export Control Regulations

The Export Administration Regulations (the "**EAR**"), administered by the U.S. Department of Commerce, Bureau of Industry and Security ("**BIS**"), govern the export and re-export of items "subject to the EAR." An item is subject to the EAR if it falls into any of the following four categories: (1) it is exported from United States; (2) it is produced or manufactured in the United States; (3) it is the foreign direct product of certain U.S.-origin technology or software (known as the Foreign Direct Product Rule "FDPR") or a plant containing items that are the direct product of this technology or software; and/or (4) the foreign-origin item incorporates more than a *de minimis* amount of controlled U.S.-controlled parts, materials and/or components (known as the "de minimis rule"). The specific controls that apply depend on the classification of the product, the countries and parties involved in the transaction, and the end-use. The EAR also control releases, or transfers, of source code or technology to a foreign national physically located within the United States (a "**deemed export**").

BIS maintains the Entity List which is a compilation of foreign individuals, companies, and organizations that are considered a national security concern by the U.S. government. Individuals and entities included on the Entity List are subject to specific export and re-export restrictions, and licensing requirements for certain technologies and goods. BIS also maintains other lists of restricted parties including the Denied Persons List ("**DPL**") and the Unverified List.

BIS also prohibits engaging in transactions where the seller knows or has reason to know that the products to be transferred (or re-transferred or re-exported) are destined for a prohibited end-user or end-use.

3. The Foreign Corrupt Practices Act

We are subject to the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201 and other anti-bribery and anti-corruption laws in the United States. These laws are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions.

4. Tariffs and the Importation of Goods into the United States

The importation of goods into the customs territory of the United States is governed principally by the Tariff Act of 1930, as amended, the Customs Modernization Act, and the regulations of U.S. Customs and Border Protection ("**CBP**"). Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise "reasonable care" in entering merchandise into the United States. This includes when providing to CBP information and documentation necessary for it to assess duties on imported merchandise, collect accurate import statistics, and determine whether an import complies with applicable laws.

The United States imposes a variety of tariffs on imported goods. The applicable tariff rate is determined based on factors including the type of product, its value, and the origin of the goods. Tariffs on goods imported into the United States have continued to increase since February 2025.

5. Intellectual Property Law

The United States has federal and state laws that govern intellectual property rights ("**IPRs**"). Copyrights and patents are governed by federal law; trademarks, service marks, and trade secrets are governed by both federal and state law.

A patent is a government grant providing the patent owner with the right to exclude others from using, manufacturing, offering to sell, selling, and/or importing a claimed invention or practicing a claimed method. A patent is obtained by filing an application with the U.S. Patent and Trademark Office (the "**USPTO**") claiming a useful, novel and non-obvious invention. The application must comply with various requirements set out in the Patent Act (codified at 35 U.S.C. §1 et seq.) and regulations established by the USPTO, which is an agency within the U.S. Department of Commerce. A patent grant typically lasts for 20 years from the filing date of the patent application.

A copyright grants exclusive rights to creators over their original works of art, which may include classic artistic works such as literature, music, film, and paintings as well as modern "digital" works of art such as software, source code, or graphics. U.S. federal copyright law is codified at 7 U.S.C. §1 et seq. A copyright typically lasts for the creator's lifetime plus 70 years. Copyright aims to protect the expression of ideas from unauthorized reproduction, distribution, performance, or adaptation, while balancing public access through exception like fair use or fair dealing. These exceptions allow limited use for purposes such as criticism, education, or parody without permission. Copyright arises automatically upon creation of a qualifying work, although registration with the U.S. Copyright Office (an extension of the Library of Congress) can enhance legal protections.

A "mark" is any one or more words, logos or other symbols used to identify and distinguish the mark owner's goods and/or services. A trademark is a mark used for goods; a service mark is a mark used in connection with providing services. U.S. trademarks and service marks generally must (i) be different from prior marks used for similar goods or services, so as to avoid consumer confusion; (ii) not be generic; and (iii) not be descriptive. U.S. federal trademark law is governed by the Lanham Act, codified at 15 USC. §1051 et seq. The USPTO is responsible for examining trademark and service mark applications and either granting or rejecting applications to register marks. Once granted, a trademark or service mark provides its owner with nationwide exclusivity within one or more particular fields of use. To obtain federal coverage, the applicant must establish that they are (or shortly intend to) use the mark in interstate commerce.

State law is an alternative basis for trademark and service mark rights, either under specific state laws or under common law. State law may apply even where federal law does not, such as where a mark is not used in interstate commerce. Some states have registries for trademarks and service marks. The rights inherent in such marks are limited to the state where they are used.

A trade secret is information that (i) has independent economic value from being generally unknown by the public; and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. Trade secrets are governed by both federal and state law.

The Defend Trade Secrets Act, codified at 18 USC.§1836, et seq. (the **"DTSA**"), is the federal trade secret law. Enacted in 2016, the DTSA applies only to trade secrets related to products or services that are used in interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure in specific and generally rare instances.

The DTSA is similar to the Uniform Trade Secret Act (the **"UTSA**"), a model set of laws enacted by almost all fifty states within the U.S. A trade secret owner may often have a choice in enforcing its trade secret rights under the DTSA or a relevant state's version of the UTSA.

6. Laws in relation to Contracts

In the ordinary course of business, we frequently enter into transactions where our customers' purchase orders contain terms and conditions that differ from the terms and conditions that we include in our quotations, sales acknowledgments, or invoices. These documents often contain materially different provisions regarding payment terms, warranties, limitations of liability, indemnification obligations, dispute resolution provisions, and other important contractual terms. This situation, commonly referred to as the "battle of the forms," creates uncertainty about which terms govern our contractual relationships. Under the Uniform Commercial Code and applicable state laws, when parties exchange documents with conflicting terms but proceed with performance, courts may determine that certain unfavorable terms from our customers' purchase orders or the state's implementation of the Uniform Commercial Code become part of our contracts, even if we intended our own terms to govern. The uncertainty surrounding which terms apply may lead to disputes with customers, potentially resulting in costly litigation and damaged customer relationships. We attempt to mitigate these risks by implementing contract review procedures and seeking to obtain customer agreement to our standard terms. However, commercial realities may limit our ability to insist on our preferred terms, and we cannot guarantee that our risk mitigation efforts will be successful in all cases.

7. Laws and Regulations in relation to Labor and Employment

The employment of individuals in the United States is governed by federal, state and sometimes local laws. Labor and employment laws can generally be categorized under the headings of (1) equal employment opportunity, (2) wage and hour, (3) medical/disability, (4) union rights, and (5) workplace safety. Typically, national laws set the minimum legal standard for employee rights, and state and local laws, if adopted, enhance those rights. Most employees in the United States are hired "at-will," meaning that their employment can be terminated at any time, with or without notice, cause, or government mandated severance pay. However, individual employment agreements between an employee and employer may vary this status, and even an at-will employee may not be terminated for an illegal reason (such as discrimination), nor may an employee be terminated or otherwise retaliated against for engaging in protected activity under the law. In addition, employers are required to

maintain workplaces that are free of harassment based on protected characteristics such as sex, race, etc. Employees who believe they have suffered discrimination, harassment, or other alleged wrongs may pursue claims against us through state and U.S. federal governmental agencies and the courts.

8. Laws and Regulations in relation to Tax

Federal government

The U.S. federal government can levy a variety of taxes on U.S. businesses, non-U.S. businesses engaging in certain activities in the United States, and business owners and their employees. Our business activities in the U.S. require us to pay U.S. federal income tax, taxes on the sale of certain assets, income tax on dividends, distributions, and interest, sales and other transfer taxes, employee payroll taxes, withholding obligations, and other taxes.

State and local governments

In addition to the federal government, the 50 U.S. states and their political subdivisions play an important role in taxing and regulating business activity within their respective jurisdictions. For example, our business activities within a U.S. state may be subject to the state's business and personal income tax, payroll tax, sales tax, real and personal property tax, franchise tax, withholding obligations, and other taxes. In addition, some local governments, such as counties and cities, may impose their own similar taxes.

9. Laws and Regulations in relation to Registration and Regulation

Corporations in the United States are registered and organized in one of the 50 states. In addition to its legal formation in a particular state, a corporation that does business in more than one state may need to qualify or register to do business in other states if the corporation's activities establish "minimum contacts" for tax purposes in those states. Individual state laws apply to business transactions occurring in each state, unless such laws conflict with, or are superseded by, U.S. federal law, which takes precedence over state and local law. For this reason, U.S. businesses frequently must comply with separate federal, state and local regulations.