

REGULATORY OVERVIEW

This section sets out a summary of certain aspects of the laws and regulations of the jurisdictions which are relevant to the business and operations of our Group. The principal objective of this summary is to provide you with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to you. You should note that the following summary is based on laws and regulations in force as of the date of this document, which may be subject to change.

THE PRC LAWS, REGULATIONS AND POLICIES

This section sets out summaries of certain aspects of PRC laws, regulations and policies, which are relevant to business operations of our Company.

LAWS, REGULATIONS AND POLICIES RELATING TO THE INTEGRATED CIRCUIT INDUSTRY

From 2010 to 2020, the State Council has issued a series of regulations aimed at promoting the development of the integrated circuit industry, which includes the Decision of the State Council on Accelerating the Fostering and Development of Strategic Emerging Industries (《國務院關於加快培育和發展戰略性新興產業的決定》), the Notice of the State Council on Promulgation of Several Policies for Further Encouraging the Development of Software and Integrated Circuit Industries (《國務院關於印發進一步鼓勵軟件產業和集成電路產業發展若干政策的通知》), the Outline for Advancing the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), Made in China 2025 (《中國製造2025》), the Innovation-driven Development Strategy (《國家創新驅動發展戰略綱要》), the Outline of the National Informatization Development Strategy (《國家信息化發展戰略綱要》).

On July 27, 2020, the Notice on Administrative Measures on Import Tax Policies to Support the Development of Integrated Circuit Industry and Software Industry by the Ministry of Finance, the National Development and Reform Commission, the Ministry of Industry and Information Technology and Other Departments (《財政部、國家發展改革委、工業和信息化部等關於支持集成電路產業和軟件產業發展進口稅收政策管理辦法的通知》) became effective. On the same day, the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Import Tax Policies to Support the Development of Integrated Circuit Industry and Software Industry (《財政部、海關總署、稅務總局關於支持集成電路產業和軟件產業發展進口稅收政策的通知》) took effect. The above notices relating to importing tax for the integrated circuit industry have made some installment tax payment policies and import tariff exemption policies.

On December 11, 2020, the Ministry of Finance (中華人民共和國財政部) (the “**MOF**”), the State Taxation Administration (the “**STA**”), the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “**NDRC**”) and the Ministry of

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Industry and Information Technology (the “MIIT”) jointly promulgated the Announcement on Enterprise Income Tax Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》). Pursuant to the foregoing provisions, key integrated circuit design enterprises and software enterprises encouraged by the State will be exempted from enterprise income tax from the first to the fifth year from the profit-making year and will be subject to enterprise income tax at a reduced tax rate of 10% in subsequent years.

On March 12, 2021, the National People’s Congress (中華人民共和國全國人民代表大會) (the “NPC”) approved 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》), proposing to foster advanced manufacturing clusters and promote the innovation and development of industries such as integrated circuits, 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.

On May 21, 2022, the STA issued the Guidelines on Tax and Fee Preference Policies for Software and Integrated Circuit Enterprises (《軟件企業和集成電路企業稅費優惠政策指引》). Enterprises for integrated circuit design, equipment, materials, packaging and testing encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy the regular exemption or reduction of enterprise income tax; and staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》), which was promulgated on April 20, 2023, from January 1, 2023 to December 31, 2027, enterprises engaged in the design, production, closed beta test, equipment and materials of integrated circuits are allowed to deduct extra 15% of the deductible input tax in the current period from the value-added tax payable.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Overseas investors’ investment activities in the PRC are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》), and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》), which are promulgated and amended from time to time by the Ministry of Commerce (中華人民共和國商務部) (the “MOFCOM”) and the NDRC, and together with the Foreign Investment Law of PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”) and its respective implementation rules and ancillary regulations.

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The Foreign Investment Law, which was promulgated by the NPC on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. “Pre-access national treatment” means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; “negative list” refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list.

The NDRC and the MOFCOM jointly revised and issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”) on September 6, 2024, which came into effect on November 1, 2024 (the NDRC and MOFCOM commonly revise the list every 1-3 years). Pursuant to the Foreign Investment Law, the Implementation Regulations and the Negative List, overseas investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

As of the date of this document, our business falls within the encouraged Catalog and is not subject to any prohibitions or restrictions on foreign investment under the PRC laws and regulations.

REGULATIONS IN RELATION TO OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Overseas Investments (《境外投資管理辦法》) which was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014 overseas investment by PRC enterprises are subject to filing with or approval from MOFCOM or its provincial bureau. Investments involving sensitive countries, regions or industries are subject to approval, while other overseas investments are subject to filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) which was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, PRC enterprises making outbound investments are required to complete the relevant approval or filing procedures. Sensitive projects, being projects involving sensitive countries, regions or industries, are subject to approval, while non-sensitive projects directly carried out by investors are subject to filing. The NDRC promulgated the Catalogue of Sensitive Industries for Outbound Investment (Edition 2018) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to list the current sensitive industries in detail.

SAFE issued the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to 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》) on February 13, 2015. The banks shall directly examine and handle foreign exchange

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registration of overseas direct investment. SAFE and its branches shall conduct indirect regulation of foreign exchange registration of overseas direct investment via banks. We have completed the overseas investment procedures for setting up our subsidiary in Singapore.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA SECURITY

On July 1, 2015, the Standing Committee of the National People’s Congress (the “SCNPC”) promulgated the State Security Law of the PRC (《中華人民共和國國家安全法》), pursuant to which the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, projects relating to national security matters and other important activities that are likely to impact national security of China. According to the State Security Law of the PRC, national security refers to a status in which the regime, sovereignty, unity, territorial integrity, welfare of the people, sustainable economic and social development, and other vital interests of the state, and the capability to maintain a sustained security status are not faced with any danger and not threatened internally or externally.

The SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) on June 10, 2021, which became effective on September 1, 2021, for the establishment of a data classification and hierarchical protection system to conduct classified and hierarchical protection of data. Entities carried out data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”) promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents, namely “invention,” “utility model” and “design”. 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, unless otherwise stipulated in this Law, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, or use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method.

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Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) latest amended on April 29, 2014 and came into effect on May 1, 2014, trademarks approved and registered by the Trademark Bureau are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks. Trademark registrants enjoy the exclusive right to use their registered trademarks and are protected by law.

The term of a registered trademark is 10 years from the date of registration and may be renewed for successive 10-year periods upon expiry. If renewal procedures are not completed within the prescribed period, the registered trademark will be cancelled.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) last amended on January 30, 2013 and came into effect 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. Works refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, such as engineering design plan, product design plan, map, schematic diagram, etc., computer software and any other intellectual achievements which comply with the characteristics of the works. Copyright holders are entitled to personal and property rights in respect of their works, including rights of reproduction, distribution and information network transmission.

Pursuant to 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, last amended on January 30, 2013 and became effective on March 1, 2013, “computer software” (the “**software**”) refers to computer programs and related files. Software copyright commences from the date on which the development of the software is completed. The protection period for software copyright of a legal person or other organization shall be 50 years, concluding on December 31 of the 50th year after the software’s initial release.

Layouts Design of Integrated Circuit

Pursuant to the Protection of the Layout Design of Integrated Circuits (《集成電路布圖設計保護條例》) (the “**Regulations on the Protection**”) became effective on October 1, 2001, where Chinese natural persons, legal persons or other organizations create layout designs, they shall enjoy the proprietary rights in the layout designs upon registration with the administrative department of the State Council responsible for intellectual property. Unregistered layout designs are not protected by the Regulations on the Protection. The protection period of the

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proprietary rights in a layout design is 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. In any event, protection will cease 15 years after the date of creation.

Domain Name

Pursuant to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017. The MIIT is the main regulatory authority responsible for implementing supervision and administration over domain name services nationwide. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON LAND, PLANNING AND PROJECT CONSTRUCTION LAND

Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, latest amended on August 26, 2019, and became effective on January 1, 2020, the Implementing Regulation for the Land Administration Law of the PRC (《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 amended on July 2, 2021, and became effective on September 1, 2021, and the Provisional Regulations of the PRC for the Grant and Assignment of the Right to Use the State-owned 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》) promulgated by the State Council on May 19, 1990 and latest amended on November 29, 2020, the land in the PRC is either State-owned or collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory term of use and scope of planned uses.

Planning

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007, latest amended and became effective on April 23, 2019, if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planned area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people's government of the city or county or the people's government of the town as determined by the people's government of the province, autonomous region or municipality directly under the Central Government for a construction project planning permit.

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Project Construction

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, latest amended and became effective on April 23, 2019, prior to the commencement of construction work, the construction entity shall apply to the competent construction administrative authority of the people’s government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority under the State Council. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without conducting or passing the acceptance examination.

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) latest amended on August 26, 2019, and became effective on January 1, 2020 and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) became effective on February 1, 2011, the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department. Individuals or organizations who violate the foregoing provisions shall be ordered to make correction within a stipulated period; where the individual failed to make correction within the stipulated period, a fine of not more than RMB1,000 shall be imposed; where the organization failed to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”) latest amended on December 29, 2018, producers and sellers shall establish a sound internal product quality control system, strictly adhere to a job responsibility system in relation to quality standards and quality liabilities, and implement corresponding examination and inspection measures. The forgery or imitation of quality marks such as certification marks is prohibited; falsifying the place of origin of product, and falsifying or imitating the name or address of another factory is prohibited; adulteration of, or mixing of improper elements with products under manufacturing or on sale, passing off the sham as the genuine or passing off the inferior as the superior is prohibited. Any manufacturer or seller who violates the Product Quality Law may be subject to (i) administrative penalties, including suspension of production or sale, ordered correction of illegal activities, confiscation of products subject to illegal production or sale, imposition of fines, confiscation of illegal gains and, in severe cases, revocation of business license; and (ii) criminal liabilities if the illegal activity constitutes a crime.

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LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) latest amended on December 27, 2025 and took effect on March 1, 2026 and the Regulations on the PRC on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) last amended on March 10, 2024, the State Council of the PRC shall allow free importation and exportation of goods, and maintain fair and orderly import and export trade in goods except for the goods which is explicitly prohibited or restricted by laws or administrative regulations.

The Provisions on the Registration 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》) which was promulgated by the General Administration of Customs of the PRC (the “GAC”) on November 19, 2021 and took effect on January 1, 2022, the consignee or consignor of imported or exported goods or a customs declaration enterprise needs only to apply for record-filing to the customs, with no registration with the GAC necessary any longer. The record-filing information shall be made public via the Import and Export Credit Information Publicity Platform of the Customs of China.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION AND FIRE SAFETY

Regulations on Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The environmental protection department of the State Council is authorized to issue national standards for environmental quality and pollutant emissions, and to implement unified supervision and administration of environmental protection work nationwide. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Regulations on Fire Safety

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》) last amended on April 29, 2021, for construction projects that require fire prevention design in accordance with the national fire prevention technical standards for project construction, the fire prevention design review and acceptance system for construction projects shall be implemented. Upon completion of a construction project that is required to apply for fire control acceptance inspection by the competent department. For construction projects other than those specified in the preceding paragraph, the construction entity shall report to the competent department of housing and urban-rural development for filing after the acceptance, and the competent department shall conduct spot checks. Construction projects which are

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subject to fire control acceptance inspection according to law shall not be put into use without fire control acceptance inspection or failing to pass fire control acceptance inspection. Other construction projects which fail to pass the legal spot checks shall cease to be used.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), latest amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) latest amended on December 28, 2012 and became effective on July 1, 2013, a labor contract shall be concluded for establishment of work relationships. Wages paid by the employers to their employees shall not be less than the local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, and status of safe production as well as remuneration and other conditions.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), last amended on December 29, 2018, the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) last amended on March 24, 2019, and the Regulations on the Housing Provident Fund (《住房公積金管理條例》) last amended on March 24, 2019, employers in Chinese mainland shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If an employing entity fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, penalty may be imposed or an application may be made to a people’s court for enforcement.

LAWS AND REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》) (the “**Securities Law**”), promulgated by the SCNPC on December 29, 1998, latest amended on December 28, 2019 and came into effect on March 1, 2020, comprehensively regulating activities in Chinese mainland securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities

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regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and relevant guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023 (the “**Trial Measures**”), a domestic company that seeks to offer and list securities in overseas markets shall fulfill the filing procedure with the CSRC as per requirement of the Trial Measures. Initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas.

According to Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provisions on Strengthening Confidentiality and Archives Administration**”) jointly issued by the CSRC and other relevant departments on February 24, 2023 and effective on March 31, 2023, in the course of overseas issuance and listing of domestic enterprises, domestic enterprises and securities companies and securities service agencies which provide the corresponding services shall strictly comply with the relevant laws and regulations of the PRC and the requirements of the Provisions on Strengthening Confidentiality and Archives Administration, strengthen legal awareness of confidentiality of State secrets and archives administration, establish a sound system for confidentiality and archives work, adopt the requisite measures to perform the responsibilities of confidentiality and archives administration, and shall not divulge State secrets and work secrets of State agencies or harm State and public interests. To provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing entities, any document or material involving State secrets or work secrets of State agencies, a domestic enterprise shall apply to the competent department with examination and approval authority for approval in accordance with the law, and file the same with the secrecy administration at the same level for the record. To provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing subjects, other documents and materials, the disclosure of which will cause adverse impact on the national security or public interests, a domestic enterprise shall strictly go through the corresponding procedures pursuant to the relevant provisions of the State.