This section sets forth a summary of the most significant PRC laws, rules and regulations that affect our current business activities in the PRC. This summary does not purport to be a complete description of all the PRC laws, rules and regulations which are applicable to our business and operations in the PRC. Should note that the following summary is based on relevant laws and regulations in force as of the date of the Document, which may be subject to changes in line with the amendments to such laws and regulations.

POLICIES RELATED TO THE INTEGRATED CIRCUIT INDUSTRY

In July 2020, the State Council issued the Several Policies for Promoting High-Quality Development of the Integrated Circuit and Software Industries in the New Era (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》). To further optimize the development environment for integrated circuit and software industries, deepen international cooperation, and enhance innovation capabilities and development quality, the policies introduced a series of supportive measures covering taxation, investment and financing, R&D, import/export, talent development, intellectual property, market applications, and international collaboration.

In December 2020, the Ministry of Finance (the "**MOF**"), the State Taxation Administration (the "**SAT**"), the National Development and Reform Commission (the "**NDRC**"), and the Ministry of Industry and Information Technology (the "**MIIT**") jointly released the Announcement on Corporate Income Tax Policies to Promote High-Quality Development of the Integrated Circuit and Software Industries (《財政部、國家稅務總局、國家發展改革委、工業和信息化部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》). Under these provisions, key state-encouraged integrated circuit design and software enterprises are exempt from corporate income tax for the first five years starting from the year they become profitable, followed by a reduced tax rate of 10% in subsequent years.

In March 2021, the National People's Congress (the "**NPC**") approved the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through 2035 of the PRC (《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》), which outlined plans to cultivate advanced manufacturing clusters. The plan promotes innovation and development in industries such as integrated circuits, aerospace, shipbuilding and marine engineering equipment, robotics, advanced rail transit equipment, advanced power equipment, construction machinery, high-end CNC machine tools, pharmaceuticals, and medical equipment.

Also in March 2021, the MOF, the General Administration of Customs (the "**GAC**"), and the SAT jointly issued the Notice on Import Tax Policies to Support the Development of the Integrated Circuit and Software Industries (《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》), eligible import activities under the policy are exempt from import tariffs, with the measure effective from July 27, 2020 to December 31, 2030.

In March 2021, Notice by the MOF, the NDRC, the MIIT and Other Departments of the Measures for the Administration of Import Tax Policies for Supporting the Development of the Integrated Circuit Industry and the Software Industry (《財政部、國家發展改革委、工業和信息化部、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管理辦法的通知》), the NDRC, in conjunction with the MIIT, MOF, GAC, and SAT, formulates and jointly publishes the lists of integrated circuit production enterprises, advanced packaging and testing enterprises, and key raw material and component production enterprises for the integrated circuit industry eligible for import tariff exemption, as well as the lists of nationally encouraged key integrated circuit design enterprises and software enterprises eligible for import tariff exemption.

In December 2021, the State Council issued the Notice of the State Council on Issuing the 14th Five-Year for the Development of the Digital Economy (《國務院關於印發「十四五」數字經濟發展規劃的通知》), emphasizing that during the 14th Five-Year period, efforts should be made to enhance innovation capabilities in key technologies. The plan calls for focusing on strategic and forward-looking fields such as sensors, quantum information, network communications, integrated circuits, critical software, big data, artificial intelligence, block-chain, and new materials. By leveraging PRC socialist institutional advantages, the new national mobilization system, and its massive market scale, the country aims to strengthen foundational R&D capabilities in digital technologies. The plan also highlights the need to address weaknesses in key technological gaps by optimizing and innovating organizational mechanisms like the "challenge-based competition" system. This includes concentrating efforts to make breakthroughs in core technologies related to high-end chips, operating systems, industrial software, core algorithms, and frameworks, as well as advancing integrated R&D in general-purpose processors, cloud computing systems, and key software technologies. Additionally, the plan stresses the importance of improving competitiveness in critical segments of the industrial chain and refining the supply chain systems for key industries such as 5G, integrated circuits, new energy vehicles, artificial intelligence, and industrial Internet.

LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

The establishment, operation, and governance of PRC business entities are regulated by the Company Law of the PRC (2023 Revision) 《中華人民共和國公司法(2023年修訂)》) (the "**Company Law**"), which was promulgated by the Standing Committee of the NPC (the "**SCNPC**") on December 29, 1993, and most recently amended on December 29, 2023, with the amendments taking effect on July 1, 2024. Limited liability companies and joint stock limited companies incorporated in the PRC are subject to the Company Law.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the NPC on March 15, 2019 and effective from January 1, 2020, establishes PRC pre-establishment national treatment with negative list management system for foreign investment. Pre-establishment national treatment means affording foreign investors and their investments treatment no less favorable than that accorded to domestic investors and their investments during the investment admission phase. The negative list refers to special administrative measures for foreign investment access in specific sectors prescribed by the state. Foreign investments outside the negative list receive national treatment.

The Special Administrative Measures for Foreign Investment Access (Negative List)(2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), jointly revised and issued by the NDRC and the Ministry of Commerce on (the "**MOFCOM**") September 6, 2024 and effective from November 1, 2024, replaces previous negative lists. It stipulates that domestic enterprises engaged in business areas prohibited by the Negative List must obtain approval from relevant state authorities before conducting overseas share issuance and listing; and foreign investors are prohibited from participating in such enterprises' operation and management, and their shareholding ratios shall comply with relevant regulations on the management of foreign investors' domestic securities investment.

According to the Measures for Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investment that affects or may affect national security shall be subject to security review under these Measures. Foreign investors or the relevant parties in PRC shall proactively report any foreign investment within the following scope to the Office of the Working Mechanism before making the investment: (1) investment in the arms industry, an ancillary to the arms industry, or any other field related to national defense security and investment in an area surrounding a military installation or an arms industry facility; (2) investment in important agricultural products, important energy and resources, critical equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technology, or any other important field related to national security, resulting in the foreign investor's acquisition of actual control of the enterprise invested in.

On December 30, 2019, the MOFCOM and the State Administration for Market Regulation promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which came into effect on January 1, 2020. Where foreign investors carry out investment activities directly or indirectly within the PRC, foreign investors or foreign-invested companies shall report investment information to commerce departments.

LAWS AND REGULATIONS ON CYBER AND DATA SECURITY

According to the National Security Law of the PRC (2015) (《中華人民共和國國家安全法(2015)》) promulgated by the SCNPC and effective from July 1, 2015. This law clearly defines national security tasks across many domains, including political security, territorial security, military security, cultural security and technological security.

Pursuant to the Cybersecurity Law of the PRC (2025 Amendment) (《中華人民共和國網路安全法(2025修正)》) promulgated by the SCNPC on November 7, 2016 and last amended on October 28, 2025 and effective from January 1, 2026, those which build or operate networks or provide services through networks shall take technical measures and other necessary measures in accordance with laws, administrative regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021, which became effective on September 1, 2021, PRC shall establish a data classification and grading protection system to provide classified and graded protection of data. In data processing, the laws and regulations shall be complied with, a sound data security management system throughout the whole process shall be established, data security education and training shall be organized and conducted, and corresponding technical measures and other necessary measures shall be adopted to ensure data security.

Pursuant to Measures on Cybersecurity Review (2021) (《網絡安全審查辦法(2021)》) jointly announced by the Cyberspace Administration of PRC and several regulatory authorities in PRC on April 13, 2020 and implemented since June 1, 2020, last amended on December 28, 2021 and implemented since February 15, 2022, critical information infrastructure operators who purchase network products and services and network platform operators who engage in data processing activities that affect or may affect national security are subject to cybersecurity review by the Cybersecurity Review Office. Network platform operators with personal information of more than one million users must file applications to the Cybersecurity Review Office for cybersecurity review before listing overseas. If the member units under the cybersecurity review working mechanism opine that any network products and services and data processing activities affect or potentially affect national security, the Cybersecurity Review Office has the duty to conduct a review in accordance with relevant requirements after reporting to the Central Cyberspace Affairs Commission for approval in compliance with the procedure.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (2020 Amendment) (《中華人民共和國專利法(2020修正)》) (the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and effective from June 1, 2021 and the Implementing Regulations of the Patent Law of the PRC (2023 Revision) (《中華人民共和國專利法實施細則(2023修訂)》) promulgated by the State Council on December 21, 1992, last amended on December 11, 2023 and effective from January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Trademark

According to the Trademark Law of the PRC (2019 Amendment) (《中華人民共和國商標法(2019修正)》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and effective from November 1, 2019 and the Regulations for the Implementation of the Trademark Law of the PRC (2014 Revision) (《中華人民共和國商標法實施條例(2014修訂)》) promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and effective from May 1, 2014, registered trademarks are those that have been approved and registered by the trademark office. Trademark registrants shall enjoy the right to exclusive use of their trademarks and shall be protected by law. The period of validity of a registered trademark shall be 10 years, counted from the day the registration is approved.

Copyright

According to the Copyright Law of the PRC (2020 Amendment) (《中華人民共和國著作權法(2020修正)》) which was promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 and came into effect on June 1, 2021, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, are entitled to copyright in accordance with the laws. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form. The copyright holder can enjoy multiple personal rights and property rights, including the right of publication, the right of authorship and the right of modification.

According to the Computer Software Protection Regulations (2013 Revision) (《計算機軟件保護條例(2013修訂)》) promulgated by the State Council on June 4, 1991, last amended on January 30, 2013 and effective from March 1, 2013, computer software refers to computer programs and their related documentation. PRC citizens, legal persons or other organizations enjoy copyright in the software they develop, regardless of whether it is published or not. The copyright in software arises from the date of completion of the software development. The term of protection for software copyright owned by legal persons or other organizations is 50 years, expiring on December 31 of the 50th year following the first publication of the software; however, software that remains unpublished for 50 years from the date of completion of its development shall no longer receive protection.

Integrated Circuit Layout Design

According to the Regulations on the Protection of Layout-Designs of Integrated Circuits (《集成電路布圖設計保護條例》) (the "**Regulations**") promulgated by the State Council on April 2, 2001 and effective from October 1, 2001, and the Protection of Integrated Circuit Layout Designs Regulations Implementing Rules (《集成電路布圖設計保護條例實施細則》) promulgated by the NIPA on September 18, 2001 and effective from October 1, 2001, any layout-design created by a PRC natural person, legal person or other organization shall be eligible for the exclusive right of layout-design in accordance with the Regulations. The exclusive right of layout-design is acquired after its being registered with the intellectual property administration department of the State Council. Any unregistered layout-design shall not be protected under the Regulations. The term of protection of the exclusive right of layout-design shall be 10 years counted from the date of filing an application for registration or from the date on which it was first commercially exploited anywhere in the world, whichever expires earlier. However, no matter whether it has been registered or commercially exploited, a layout-design shall no longer be protected under the Regulations 15 years after the date of the completion of its creation.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, MIIT shall conduct supervision and administration of the domain name services nationwide. No organization or individual may obstruct the safe and stable operation of the Internet domain name system.

REGULATIONS RELATED TO HOUSE LEASING

According to the Law of the PRC on the Administration of the Urban Real Estate (2019 Amendment) (《中華人民共和國城市房地產管理法(2019修正)》), which was promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019, and effective from January 1, 2020, in the leasing of a house, the leaser and the leasee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the leasing with the department of housing administration for the record.

Furthermore, according to the Administrative Measures for 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, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people's government of a municipality directly under the central government, city or county where the house leased is located. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If any individual fails to do so, a fine of less than RMB1,000 will be imposed, while if any entity fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

LAWS AND REGULATIONS RELATED TO PRODUCT QUALITY

According to the Product Quality Law of the PRC (2018 Amendment) (《中華人民共和國產品質量法(2018修正)》) promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018, the manufacturers and sellers shall establish and perfect their internal management of product quality, strictly implement quality criteria for various posts, specify quality liabilities, and make checks accordingly. It is prohibited to forge or falsely use product quality marks such as authentication marks. It is prohibited to forge the origin of products, to forge or falsely use other's factory name or address. It is prohibited to adulterate or falsify products during production or sale, to pass off as a genuine, or to pass a defective product off as a high quality one.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the producer or the seller of such product and shall have the right to request the producer and the seller to assume tortious liability, such as cessation of infringement, removal of obstruction, and elimination of danger.

LAWS AND REGULATIONS RELATED TO IMPORT AND EXPORT TRADE

According to the Customs Law of the PRC (2021 Amendment) (《中華人民共和國海關法(2021修正)》) promulgated by the SCNPC on January 22，1987 and last amended on April 29, 2021, unless otherwise provided for, the declaration of import or export goods and the payment of duties and taxes may be completed by the exporters or importers on their own, and such formalities may also be completed by their entrusted customs clearing agent. The importer or exporter of import or export goods, and the customs clearing agent shall be registered with the customs according to law to make the customs declarations.

According to the Foreign Trade Law of the PRC (2022 Amendment) (《中華人民共和國對外貿易法(2022修正)》) promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, and the Regulation of the PRC on the Administration of the Import and Export of Goods (2024 Revision) (《中華人民共和國貨物進出口管理條例(2024修訂)》) promulgated by the State Council on December 10, 2001, last amended on March 10, 2024, and effective from May 1, 2024, unless it is clearly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods. The provision that foreign trade dealers engaged in import and export of goods or technologies shall register with the authority responsible for foreign trade under the State Council or its authorized bodies has been abolished.

According to the Export Control Law of the PRC (《中華人民共和國出口管制法》) (the "**Export Control Law**") promulgated by the SCNPC on October 17, 2020 and effective from December 1, 2020, the state exercises control on the export of dual-use items, military products, nuclear, and other goods, technologies and services related to safeguarding national security and interest or performing nonproliferation and other international obligations. The state export control authorities shall, in accordance with the provisions of the Export Control Law and other relevant laws and administrative regulations, as well as export control policies and prescribed procedures, formulate and revise the list of controlled items for export in conjunction with relevant departments, and publish the list in a timely manner. For the purposes of safeguarding national security and interest or performing nonproliferation and other international obligations, the state export control authorities may, upon the approval of the State Council or both the State Council and the Central Military Commission, impose temporary control on goods, technologies or services outside the control list, and make an announcement thereon.

According to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the GAC on November 19, 2021 and effective from January 1, 2022, the importer or exporter of import or export goods, and the customs clearing agent only need to file with the customs, and no longer need to register with the GAC. The filing information will be publicized through the Credit Publicity Platform of Import and Export Business of Customs of the PRC.

According to the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on Matters Concerning the Registration of Consignors and Consignees of Import and Export Goods (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued on January 3, 2023, entities applying for registration as consignors or consignees of import and export goods must obtain market entity qualification but are no longer required to obtain foreign trade operator registration.

LAWS AND REGULATIONS RELATED TO LABOUR AND SOCIAL SECURITY

Labour Law and Labour Contract Law

According to the Labour Law of the PRC (2018 Amendment) (《中華人民共和國勞動法(2018修正)》), which was last amended by the SCNPC on December 29, 2018, and the Labour Contract Law of the PRC (2012 Amendment) (《中華人民共和國勞動合同法(2012修正)》) (the "**Labour Contract Law**"), which was last amended by the SCNPC on December 28，2012 and effective from July 1, 2013, and the Regulation on the Implementation of the Employment Contract Law of the PRC (《中華人民共和國勞動合同法實施條例)》) which was issued by the State Council on September 18, 2008 and implemented since the same date, a labour contract shall be concluded where a labour relationship is to be established. The employing units shall establish and perfect the labour rules and regulations in accordance with the law so as to ensure that labourers enjoy the right to work and fulfill labour obligations. Employers shall truthfully inform the employees of the work duties, working conditions, occupational hazards, labor remuneration and any other information that employees request to know. Employers shall pay labor remuneration to the employees in full and in a timely manner in accordance with the provisions of the employment contracts and relevant laws and regulations, and the wages of the employees may not be lower than the local standards on minimum wages.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC(2018 Amendment) (《中華人民共和國社會保險法(2018修正)》), which was last amended and implemented by the SCNPC on December 29, 2018, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (2019 Revision) (《社會保險費徵繳暫行條例(2019修訂)》), which was last amended and implemented by the State

Council on March 24, 2019, a social insurance system consisting of a basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance has been established. Contributing entities shall register for social insurance with the local social insurance agency and participate in social insurance. Contributing entities and contributing individuals shall pay social insurance premiums on time and in full. Where an enterprise fails to pay social insurance premiums, the collection agency of the social insurance premiums has the power to order the breaching enterprise to pay or make up the amount within a prescribed time limit, and those that fail to pay within the time limit will be subject to administrative penalties such as fines.

According to the Regulations on Management of Housing Provident Fund (2019 Revision) (《住房公積金管理條例(2019修訂)》), which was last amended and implemented by the State Council on March 24, 2019, a unit shall go to the housing provident fund management center to undertake registration of payment and deposit of the housing provident fund and go through the formalities of opening housing provident fund accounts on behalf of its staff. A unit shall pay and deposit housing provident funds on schedule and in full and shall not make late or partial payments.

The Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which came into force on September 1, 2025, affirms the mandatory nature of social insurance provisions. Under this Interpretation, if an employer and an employee agree, or if an employee undertakes, that social insurance contributions need not be paid, the people's court shall deem such agreement or undertaking void. Furthermore, the relevant employee has the right to terminate the labor contract and claim economic compensation from the employer pursuant to the Labor Contract Law.

LAWS AND REGULATIONS RELATED TO TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (2018 Amendment) (《中華人民共和國企業所得税法(2018修正)》) (the "**EIT Law**") which was latest amended by the SCNPC and implemented on December 29, 2018, and implemented on December 29, 2018, and the Regulation on the Implementation Regulations for the Enterprise Income Tax Law of the PRC (2024 Revision) (《中華人民共和國企業所得税法實施條例(2024修訂)》) (the "**Implementation Regulations of the EIT Law**") promulgated by the State Council on December 6, 2007, and was last amended on December 6, 2024 and became effective on January 20, 2025, a uniform enterprise income tax of 25% is levied on foreign-invested enterprises and domestic enterprises. However, where a non-resident enterprise has not set up any institutions or establishments in PRC, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall pay tax on the portion of its income generated from inside PRC at a rate of 10%.

In accordance with the EIT Law, high and new technology enterprises (the "**HNTE**") benefit from a reduced EIT rate of 15%. As stipulated in the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》), which was promulgated on April 14, 2008, and last amended on January 29, 2016, an HNTE certificate is valid for 3 years and may be renewed upon successful inspection and approval by the SAT and other relevant authorities.

Value-Added Tax

On December 25, 2024, the SCNPC issued the VAT Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), which came into effect on January 1, 2026. Under the VAT Law, entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, or import goods within the territory of PRC are taxpayers of VAT, and shall pay VAT in accordance with this Law. Unless otherwise provided, the rate for the taxpayers' sale of goods, processing, repair and replacement services, leasing services of tangible movable and the import of goods is 13%, and may be 9%, 6%, or 0% under certain specific circumstances.

Dividend Distribution

Pursuant to the EIT Law and the Implementation Regulations of the EIT Law, dividends (sourced from a PRC resident enterprise) received by non-PRC resident investors who do not have an establishment or place of business in the PRC, or who have an establishment or place of business but whose income is not effectively connected therewith, are generally subject to an EIT rate of 10%. However, if the jurisdictions where these non-PRC resident investors reside have signed tax treaties with the PRC, the preferential provisions in such tax treaties may apply.

Pursuant to the Arrangement between the Mainland of PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural persons and legal entity), but the tax so charged shall not exceed 10% of the total amount of such dividends. If a Hong Kong resident directly holds 25% or more of the equity of the PRC company and is the beneficial owner of the dividends and satisfies other conditions, the relevant tax shall not exceed 5% of the total amount of such dividends. The Fifth Protocol of the Arrangement between the Mainland of PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), promulgated by the SAT and effective from December 6, 2019, stipulates that these provisions shall not apply to arrangements or transactions made with the primary purpose of obtaining tax benefits.

In accordance with applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise shareholders of H-shares. Non-PRC resident enterprises entitled to tax relief under applicable income tax treaties will need to apply to the PRC tax authorities for a refund of the portion of withheld tax exceeding the applicable treaty rate, and such tax refund is subject to verification by the PRC tax authorities.

FOREIGN EXCHANGE-RELATED LAWS AND REGULATIONS

According to the Notice of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), issued on June 9, 2016, and was amended on December 4, 2023, it has been clarified that capital account foreign exchange income subject to voluntary settlement (including foreign exchange capital funds, foreign debt funds, and the recalling of raised capital by overseas listings) may be settled at banks based on the actual business needs of the domestic institution. Where existing laws and regulations impose restrictive provisions on the settlement of capital account foreign exchange income by domestic institutions, such provisions shall prevail.

According to the Notice on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by SAFE on April 10, 2020, under the premise of ensuring the authenticity and compliance of fund usage and in accordance with the current regulations on the use of capital account income, eligible enterprises are allowed to use capital funds, foreign debts, and overseas listing proceeds for domestic payments without the need to submit supporting documents verifying authenticity to the bank on a transaction-by transaction basis in advance.

According to the Notice by the SAFE of Further Deepening Reform and Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), issued by the SAFE on December 4, 2023, foreign exchange funds from the overseas listing of a domestic enterprise may be directly remitted to the settlement account under the capital account. Funds in the settlement account under the capital account may be used through independent foreign exchange settlement.

According to the Guidelines on Foreign Exchange Business for Capital Items (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to PRC in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the People's Bank of PRC and the SAFE on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which is issued on December 24, 2025 and will be effective on April 1, 2026, domestic enterprises listed overseas shall apply for overseas listing registration within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment. In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to the PRC in a timely manner.

LAWS AND REGULATIONS ON EQUITY INCENTIVE PLANS

Notice of the SAFE on Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於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》), promulgated by the SAFE in February 15, 2012, employees, directors and other senior management personnel who are PRC citizens or non-PRC citizens who have resided in the PRC for no less than 1 year consecutively and who participate in any equity incentive plan of an overseas listed company shall, subject to certain exceptions, register with the SAFE through a domestic agent. In addition, an offshore trustee must be engaged to handle matters related to the exercise or sale of stock options and the purchase or sale of shares and equity interests. Foreign exchange proceeds from the sale of shares by PRC residents under an equity incentive plan and dividends distributed by the overseas listed company must be remitted to a bank account opened in the PRC by a domestic institution before being distributed to the PRC residents.

LAWS AND REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC ENTERPRISE

Securities Laws and Regulations

The Securities Law of the PRC (2019 revision) (《中華人民共和國證券法(2019年修訂)》) (the "**Securities Law**"), as most recently amended by the SCNPC on December 28, 2019 and effective from March 1, 2020, comprehensively regulates securities market activities within the territory of PRC. These include the issuance and trading of securities, acquisition of listed companies, information disclosure, investor protection, securities trading venues, securities companies, securities registration and settlement institutions, securities service providers, securities associations, and securities regulatory authorities. Domestic enterprises conducting direct or indirect offerings of securities overseas or seeking overseas listings of their securities shall comply with relevant regulations of the State Council. Where shares of domestic companies are subscribed for and traded in foreign currencies, specific measures shall be separately formulated by the State Council. The PRC Securities Regulatory Commission (the "**CSRC**") is the securities regulatory authority established by the State Council, responsible for supervising and regulating the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**"), along with related guidelines, which came into effect on March 31, 2023, domestic enterprise directly or indirectly offering shares or listing overseas shall file for record with the CSRC within 3 working days after the application documents for offering and listing are submitted overseas. No overseas offering and listing shall be conducted under any of the following circumstances: Financing through listing is expressly prohibited by laws, administrative regulations or relevant rules of the state; The overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the laws; A domestic enterprise or its controlling shareholder or de facto controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last 3 years; A domestic enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made; There is a major dispute over ownership of the share held by the controlling shareholder or a shareholder controlled by the controlling shareholder or the de facto controller.

According to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《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 the Confidentiality and Archives Administration**"), jointly issued by the CSRC and other relevant authorities on February 24, 2023 and effective from March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of the Provisions on Strengthening the Confidentiality and Archives Administration, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.