PRC REGULATORY OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across our business. This part sets out a summary of the most important laws, regulations and policies that are applicable to our current business activities within the territory of the PRC.

Regulations Relating to Our Business in the PRC

On January 15, 2021, the Ministry of Industry and Information Technology (the "**MIIT**") issued the Action Plan for the Development of the Basic Electronic Components Industry (2021-2023) (《基礎電子元器件產業發展行動計劃（2021-2023年）》). The plan proposed to achieve breakthroughs in key core technologies, focusing on the development of high-frequency, high-speed, low-loss, and miniaturized optoelectronic connectors, high-speed and high-precision optical detectors, high-speed directly modulated and externally modulated lasers, and high-power lasers.

On June 2, 2023, the MIIT, the Ministry of Education, the Ministry of Science and Technology, the Ministry of Finance, and the State Administration for Market Regulation issued the Implementation Opinions on Enhancing the Reliability of the Manufacturing Industry (《製造業可靠性提升實施意見》). The opinions proposed to improve the reliability of electronic components, including precision optical components, optical communication devices, and high-speed connectors.

On December 27, 2023, the National Development and Reform Commission of the PRC (the "**NDRC**") issued the Catalog for Guiding Industry Restructuring (2024 version) (《產業結構調整指導目錄(2024年本)》), which became effective on February 1, 2024. The catalog is composed of three categories: encouraged, restricted, and eliminated. The construction of optical transmission systems operating at 100Gb/s and above, and the manufacture of optoelectronic devices, are classified as the information industry and fall within the encouraged category.

On January 2, 2025, the MIIT issued the Notice on Launching the Pilot Work for 10-Gigabit Optical Networks (《關於開展萬兆光網試點工作的通知》). The notice proposed to carry out pilot work for 10-gigabit optical networks in key scenarios such as residential communities, factories, and industrial parks, deploying and applying technologies including 50G-PON ultra-broadband optical access, coordination between FTTH/FTTR and Wi-Fi 7, high-speed and high-capacity optical transmission, and the integration of optical networks with artificial intelligence.

Regulations Relating to Companies and Foreign Investment

The Company Law of the PRC (《中華人民共和國公司法》) was passed by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993, latest amended on December 29, 2023 and became effective on July 1, 2024. The articles of association of a listed company shall, in addition to complying with the items required to be specified in the articles of association of a company limited by shares, in accordance with the provisions of laws and administrative regulations, also set forth the composition and functions of the special committees of the board of directors, as well as stipulate matters such as the compensation assessment mechanisms for directors and senior management personnel.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the National People's Congress on March 15, 2019 and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019, China applies pre-establishment national treatment with a negative list approach to foreign investment. The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Administrative Measures for Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") which was promulgated by the NDRC and the Ministry

of Commerce of the People's Republic of China (the "**MOFCOM**") on September 6, 2024 and became effective on November 1, 2024, and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraging Catalog**"), which was jointly promulgated by the NDRC and the MOFCOM on December 15, 2025 and came into effect on February 1, 2026. Optoelectronic devices and other optical communication equipment fall under the "encouraged" category in the Encouraging Catalog. Our principal business operations do not fall under the "restricted" category or the "prohibited" category under the Negative List.

According to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, foreign investors or foreign-invested enterprises shall submit investment information in a timely manner, follow the principles of truthfulness, accuracy and completeness, and shall not make false or misleading reports or material omissions.

Regulations Relating to Production Safety

On June 29, 2002, the SCNPC promulgated the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was recently amended on June 10, 2021 and became effective on September 1, 2021. Enterprises engaged in production and business activities shall establish and improve the workplace management system to ensure workplace safety. Any entity that fails to provide required production safety conditions is prohibited from engaging in production activities.

Regulations Relating to Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and recently amended with immediate effect on December 29, 2018, producers or sellers who produce or sell substandard products shall be subject to (i) administrative penalties including production/sales suspension, rectification orders, confiscation of non-compliant products, monetary fines, forfeiture of illegal gains, and in severe cases, business license revocation; and (ii) criminal prosecution where the violation constitutes a criminal offense.

Regulations Relating to Import and Export of Goods and Technology

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May, 1994 and recently amended on December 27, 2025 and became effective on March 1, 2026, and the Notice of the Department of Enterprise Management and Inspection on Matters Related to the Filing 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》) published by the General Administration of Customs of the PRC (the "**GAC**") with immediate effect on January 3, 2023, if consignors and consignees of import and export goods apply for record-filing, they shall obtain the market entity qualification and are not required to obtain the record-filing of foreign trade business operators. For technologies that fall under the category of free import and export, the contract record-filing and registration formalities shall be handled with the foreign trade department in charge under the State Council or the institutions entrusted by it.

According to the Customs Law of the PRC (《中華人民共和國海關法》), promulgated by the SCNPC on January 22, 1987, implemented on July 1, 1987, and latest amended and took effect on April 29, 2021, unless otherwise provided, import and export goods may be handled by the consignors and consignees of the import and export goods themselves for customs declaration and tax payment procedures, or they may entrust customs declaration enterprises to handle customs declaration and tax payment procedures. According to the Provisions on the Recordation of Customs Declaration Entities of the PRC (《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, which became effective on January 1, 2022, customs declaration entities shall refer to the customs declaration enterprise and the consignor or consignee of imported and exported goods under the provisions. Customs declaration

entities may conduct customs declaration business within the customs territory of the PRC. An application for the record-filing of a consignor or consignee of imported and exported goods or a customs declaration enterprise shall obtain the qualification of market entity eligibility.

Regulations Relating to Construction and Environmental Protection

According to the Construction Law of the PRC (《中華人民共和國建築法》) which was promulgated by the SCNPC on November 1, 1997 and recently amended with immediate effect on April 23, 2019, and the Measures for Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on June 25, 2014 and recently amended with immediate effect on March 30, 2021, the construction entity shall apply for a construction permit after obtaining the construction project planning permit, and then start construction.

According to the Regulation on the Administration of Confirmation and Recordation of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) promulgated by the State Council on November 30, 2016 and became effective on February 1, 2017, projects related to national security, major productivity distribution, strategic resource development and major public interests are subject to approval management.

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, latest amended and became effective on April 29, 2021, and the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, latest amended on August 21, 2023 and became effective on October 30, 2023, the fire protection design and construction of construction projects shall comply with national technical standards of fire protection for construction projects.

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, latest amended on April 24, 2014 and became effective on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002, latest amended with immediate effect on December 29, 2018, the Regulations on the Administration of Environmental Protection for Construction Project (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, latest amended on July 16, 2017 and became effective on October 1, 2017, the Measures for the Administration of Recordation of Registration Forms of Environmental Impact of Construction Projects (《建設項目環境影響登記表備案管理辦法》) promulgated by the Ministry of Environmental Protection (the "**MEP**") on November 16, 2016 and became effective on January 1, 2017, the Interim Measures on Environmental Protection Acceptance of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the MEP with immediate effect on November 20, 2017 and other relevant environmental laws and regulations, entities generating environmental pollution and other public hazards must incorporate environmental protection measures into their plans and set up a responsibility system of environmental protection. Construction projects shall go through the environmental impact assessment procedure accordingly.

Regulations Relating to Pollutant Discharge Permits

According to the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, enterprises, institutions and other producers and operators subject to pollutant discharge permit management should apply for and obtain pollutant discharge permits in accordance with the provisions of the regulations.

According to the Regulation on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》) promulgated by the State Council on October 2, 2013 and became effective on January 1, 2014,

enterprises, public institutions, and individual businesses engaged in industrial, construction, catering, medical, and other activities that discharge sewage into urban drainage facilities must apply for and obtain a permit for sewage discharge into the drainage network from the urban drainage authority.

Regulations Relating to Atmospheric Pollution

According to the Law of the PRC on the Prevention and Control of Atmospheric Pollution(《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1985, latest amended with immediate effect on October 26, 2018, enterprises, institutions and other production and operation units shall, in accordance with the relevant national regulations and monitoring standards, monitor their emissions of industrial waste gases or toxic and hazardous air pollutants listed in the catalogue published according to Article 78 of the Law of the PRC on the Prevention and Control of Atmospheric Pollution, and keep the original monitoring records. Such entities and other units that implement administration of pollution discharge permits, shall obtain a pollutant discharging permit.

Regulations Relating to Solid Wastes

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 3,1995, latest amended on April 29, 2020 and became effective on September 1, 2020, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law.

Regulations Relating to Water Pollution

According to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和 國水污染防治法》) promulgated by the SCNPC on May 11, 1984, latest amended on June 27, 2017 and became effective on January 1, 2018, any enterprise or public institution or other business entity which directly or indirectly discharges industrial waste water or medical sewage to waters or waste water or sewage subject to pollutant discharge licensing, shall obtain a pollutant discharge license.

Regulations Relating to Land

According to the PRC Land Administration Law (《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 land in the PRC is either state-owned or collectively-owned. Where a development entity needs to use state-owned land, it shall acquire the right to use such land through means such as conveyance with compensation.

According to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994, latest amended on August 26, 2019 and became effective on January 1, 2020, where real estate development is carried out with the right to use land obtained through conveyance, the land must be developed in accordance with the intended use of the land and the period for commencing development as stipulated in the land use right conveyance contract.

Regulations Relating to the Management of Lease Housing

According to (i) 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》), promulgated by the SCNPC on July 5, 1994, latest amended on August 26, 2019 and became effective on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《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 became effective on February 1, 2011, when leasing premises, the

lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

Regulations Relating to Overseas Investment

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on March 16, 2009, which was latest amended on September 6, 2014 and came into effect on October 6, 2014. As defined therein, overseas investment means that the enterprises legally incorporated in the PRC own the non-financial enterprises or obtain the ownership, control and operation management rights of the existing non-financial enterprises in foreign countries through incorporation, merger and acquisition and other means. If the overseas investments involve sensitive countries and regions or industries, they shall be subject to the approval of competent authorities. For other overseas investments, they shall be subject to filing administration.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. As defined therein, overseas investment means any investment activities in which a domestic enterprise of the PRC obtains ownership, control, operation and management rights and other relevant interests directly or through its controlled overseas enterprise by contributing asset and/or interest or providing financing and/or guarantee. To conduct overseas investment, certain procedures shall be compiled with, including approval and record-filing of overseas investment projects, reporting relevant information and cooperating with the supervision and inspection.

Regulations Relating to Foreign Exchange Administration

According to the Notice on Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), promulgated by the People's Bank of China and the State Administration of Foreign Exchange (the "**SAFE**") on December 24, 2025, and implemented on April 1, 2026, domestic companies listed overseas shall submit the registration documents for their overseas listings to the bank located in the registered place to open capital account-settlement accounts regarding their initial or follow-on offerings and share repurchases, and handle the exchange, transfer and remittance of relevant funds through such designated accounts, and the proceeds raised from overseas listings of a domestic company shall, in principle, be promptly remitted into the PRC or deposited overseas, and the use of such proceeds shall be consistent with those set out in this document or other publicly disclosed documents such as the corporate bonds offering documentations, board resolutions or shareholders' resolutions.

According to the Foreign Exchange Business Guidelines for Capital Account (2024 version) (《資本項目外匯業務指引(2024年版)》)promulgated by the SAFE on April 3, 2024, and implemented on May 6, 2024, funds raised by domestic companies through overseas listings shall, in principle, be remitted back to China in a timely manner, either in Renminbi or foreign currency. The use of such funds shall be consistent with the relevant content disclosed in public documents such as prospectuses, corporate bond issuance documents, shareholder circulars, or board of directors or shareholders' meeting resolutions.

Regulations Relating to Labor, Social Insurance and Housing Provident Fund

Labor Contract

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, latest amended with immediate effect on December 29, 2018, the Labor Contract Law of the

PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, latest amended on December 28, 2012 and became effective on July 1, 2013, and the Regulation on the Implementation of the Employment Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council with immediate effect on September 18, 2008, a written employment contract shall be entered into to create an employment relationship.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, latest amended with immediate effect on December 29, 2018, Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, latest amended with immediate effect on March 24, 2019, employers in PRC are obligated to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance, and housing provident fund. In addition, any employer that fails to make contributions to the social insurance and housing provident fund as required may be ordered to pay the outstanding contributions within a prescribed time limit. If the employer fails to comply within the specified period, a fine may be imposed. For details on our social insurance and housing provident fund contributions, see "Risk Factors—Risks Relating to Our Operation—Failure to comply with applicable labor laws and regulations may adversely affect our financial condition and results of operations."

According to 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)》), promulgated by the Supreme People's Court on July 31, 2025 and became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the PRC, the people's court shall uphold such claim.

Regulations Relating to Intellectual Property

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, latest amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, latest amended on December 11, 2023 and became effective on January 20, 2024, provide for three types of patents, namely "inventions," "utility models" and "designs." Invention patents are valid for twenty years, utility model patents are valid for ten years and design patents are valid for fifteen years, in each case from the date of application.

Trademark

According 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, latest amended on April 23, 2019 and became effective on November 1, 2019, and the Implementing Regulations 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 became effective on May 1, 2014, registered trademarks are valid for 10 years from the date the registration is approved, which may be renewed for consecutive 10-year periods upon request by the trademark owner, unless otherwise revoked.

Copyright

According to the PRC Copyright Law (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, latest amended on November 11, 2020 and became effective on June 1, 2021, copyright encompasses a series of personal and property rights. Chinese citizens, legal persons and organizations shall own copyright to their copyrightable works.

In order to further implement the Regulations on Computer Software Protection (《計算機軟體保護條例》) promulgated by the State Council on June 4, 1991, latest amended on January 30, 2013 and became effective on March 1, 2013, the National Copyright Administration issued the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) on February 20, 2002, which was amended on July 1, 2004 and specifies detailed procedures and requirements with respect to the registration of software copyrights.

Domain Names

According to the Administrative Measures for 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 supervises and administers domain services nationwide. The principle of "first come, first served" applies to domain name registration services.

Regulations Relating to Tax

Enterprise Income Tax

According to the EIT Law of the PRC (《中華人民共和國企業所得税法》) latest amended by the SCNPC with immediate effect on December 29, 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得税法實施條例》) latest amended by the State Council on December 6, 2024 and became effective on January 20, 2025, an enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of the foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. Preferential enterprise income tax is granted to industries and projects that are supported and encouraged by the country. For high and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-added Tax

According to the PRC Value-Added Tax Law (《中華人民共和國增值税法》) latest amended by the SCNPC on December 25, 2024 and became effective on January 1, 2026, and the Implementation Rules of the Value-Added Tax Law of the PRC (《中華人民共和國增值税法實施條例》) latest amended by the State Council on December 25, 2025 and became effective on January 1, 2026, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in Chinese mainland are subject to the Value-Added Tax (the "**VAT**"). Unless otherwise specified, the VAT rate is generally 13% in respect of the sale or importation of goods.

Regulations on Overseas Securities Listings

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the 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 circulated five supporting guidelines (collectively, the "**Filing Rules**"), which has become effective on March 31, 2023. The Filing Rules apply to all overseas equity financing and listing activities of PRC domestic companies, including initial and follow-on offerings of shares, depository receipts, convertible

corporate bonds, or other equity instruments and trading of securities in overseas market. The Filing Rules provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Filing Rules stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within 3 working days after the occurrence and public disclosure of (i) a change of control thereof; (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities; (iii) changes of listing status or transfers of listing segment; and (iv) a voluntary or mandatory delisting.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to 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 "**Archives Rules**"), which became effective on March 31, 2023. According to the Archives Rules, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities, companies, securities service institutions, overseas regulatory authorities and other entities and individuals shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing.

Other Regulations

Information Disclosure

A listed company shall establish a sound information management system in accordance with the regulatory requirements of the securities authorities, market practice, its specific circumstances, and the general information disclosure requirements for listed companies, such as the Measures for the Administration of Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) promulgated by CSRC on January 30, 2007, which was most recently amended on March 26, 2025 and became effective on July 1, 2025.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THAILAND

Foreign Business Act B.E. 2542 (1999) ("FBA 1999")

The Foreign Business Act B.E. 2542 (1999), as amended (the "**FBA**") is the primary law restricting foreign investments in Thailand by prohibiting or restricting "Foreigner"[(1)] from engaging in certain restricted businesses unless a foreign business license or a foreign business certificate is obtained from the Thai Ministry of Commerce.

(1) The term "Foreigner" under the FBA means: (i) a non-Thai national; (ii) a juristic person not registered in Thailand; (iii) a juristic person registered in Thailand that has any of the following characteristics: a. a juristic person in which more than 50% of its share capital is held by persons falling within (i) or (ii) above, or a juristic person in which persons falling within (i) or (ii) above invest more than 50% of its share capital; b. a limited partnership or registered ordinary partnership in which a person falling within (i) above acts as the managing partner or manager; or (iv) a juristic person incorporated in Thailand in which more than 50% of its share capital is held by persons falling within (i), (ii) or (iii) above, or by a juristic person in which persons falling within (i), (ii), or (iii) above invest more than 50% of its share capital.

Based on the current shareholding structure of TFC Thailand, in which 100 percent of the shares are owned by foreigners, it is regarded as a Foreigner under the FBA. However, manufacturing activities (excluding the provision of services) are not classified as restricted business activities under the FBA as set out above. Given that TFC Thailand manufactures optical components based on designs and specifications developed by itself and does not provide original equipment manufacture services to customers, its business activities fall within the scope of "manufacturing" as interpreted by the Ministry of Commerce under its official ruling issued in December 2025 and are therefore not restricted under the FBA.

Land Code B.E. 2497 (1954), as amended ("Land Code")

The Land Code is the principal legislation governing land ownership in Thailand. The Land Code restricts land ownership by foreign entities (as defined under Section 97 of the Land Code[(2)]), unless such ownership is permitted pursuant to other applicable privileges or regulations. In this regard, Section 44 of the IEAT Act provides that industrial operators may be granted permission to acquire ownership rights in land within an industrial estate for the purpose of conducting business, even if the relevant land area exceeds the limit permitted under other laws. TFC Thailand has obtained a letter from the Industrial Estate Authority of Thailand No. AorKor 5103.2.3/(Kor) 263, dated 19 June 2024, permitting the TFC Thailand to own the land under Land Title Deed Nos. 68823. Accordingly, TFC Thailand is entitled to own such land in Thailand notwithstanding the limitations prescribed under the Land Code.

Factory Act B.E. 2535 (1992)

The operation of TFC Thailand's factories in Thailand is regulated under the Factory Act B.E. 2535 (1992) (as amended) (the "**Factory Act**"). The Factory Act regulates and controls the operation, expansion and safety of factories in Thailand and the levels of industrial pollution released through factory activities. A factory as defined in the Factory Act means buildings, premises, or vehicles using machines with total power from 50 horsepower, or equivalent of 50 horsepower, or more or which employ 50 workers or more, with or without machinery to engage in factory operation in accordance with the type or kind of factory as prescribed in the Ministerial Regulation Prescribing Categories, Types and Sizes of Factory, B.E. 2563 (2020) (as amended). Generally, either (i) a factory licence or approval from the Department of Industrial Works, Ministry of Industry of Thailand (or, if the factory is located in an industrial estate, by the Industrial Estate Authority of Thailand), or (ii) a prior notice, is required before the operation of a factory, as the case may be, depending on the type of such factory.

Certain types of factories do not require licences or governmental approval. The extent of governmental regulations that apply to each factory varies according to the size of the factory, perceived amount of environmental impact and the level of environmental protection deemed necessary. TFC Thailand conducts its operations in the AMATA City Chonburi Industrial Estates and holds all licences required under the Factory Act.

Investment Promotion Act B.E. 2520 (1977)

Pursuant to the Investment Promotion Act B.E. 2520 (1977), as amended (the "**Investment Promotion Act**"), the Board of Investment of Thailand (the "**BOI**") issues notifications specifying the types, sizes and conditions of business activities eligible for investment promotion. Such notifications may be amended from time to time as the BOI considers appropriate considering prevailing social and economic circumstances.

(2) According to Section 97 of the Land Code, the following entities shall be entitled to the same land rights as foreigners: (a) limited companies or the public limited companies with registered shares, held by foreigners more than forty nine percent of the registered capital, or those in which the number of foreign shareholders accounts for more than half of the total number of shareholders, as the case may be. For the purposes of this Section, any bearer share issued by a limited company shall be deemed to be held by a foreigner; (b) registered limited partnerships or registered ordinary partnerships in which foreigners hold shares exceeding forty nine percent of the total capital, or those in which the number of foreign partners accounts for more than half of the total number of partners, as the case may be; (c) associations, including co-operatives, in which the foreign members exceed half of the total number of members, or those which operate particularly or mainly for the benefit of foreigners; and (d) foundations whose objectives focusing particularly or mainly on the benefit of foreigners.

Under the Investment Promotion Act and the relevant BOI notifications, certain manufacturing activities relating to parts and equipment for optical fiber, optical devices, and electro-optical devices (type 4.2.11.2 of BOI activities), and manufacturing of Printed Circuit Board Assembly (PCBA), or products resulting from PCBA production within the same project using Surface Mount Technology (SMT) throughout the entire production line (type 4.2.5.2 of BOI activities) may be eligible for investment promotion. Companies engaged in the production of products within these categories—such as Fiber Array Unit (FAU), Cable and Optical Engine (OE)—may qualify for investment promotion privileges, subject to the applicable conditions and criteria prescribed by the BOI.

Subject to the Investment Promotion Act and the relevant BOI notifications, the BOI may grant investment promotion privileges for a specified period. For instance, TFC Thailand has been granted investment promotion privileges for its manufacturing operations in Thailand and is entitled to an exemption from corporate income tax on the net profits derived from the promoted activity for a period of four to six years up to certain amount specified in the BOI certificate from the date on which income is first generated from such promoted activity (depending on the products).

The investment promotion privileges granted by the BOI may include: (a) tax incentives up to the amount specified in the BOI certificate, such as exemptions from import duties on machinery and on raw or essential materials used in production, and exemptions from corporate income tax on the net profits as well as dividends derived from the promoted activity; and (b) non-tax incentives, such as permission to remit funds abroad in foreign currency, permission to bring foreign skilled workers and experts into Thailand for the promoted activities, and permission to own land for the purposes of carrying on the promoted business, subject to the applicable criteria and conditions prescribed by the BOI.

Product Liability Act B.E. 2551 (2008)

In Thailand, the Product Liability Act B.E. 2551 (2008) (the "**PLA**") prescribes that Entrepreneurs (which refers to, *inter alia*, (i) manufacturer or hirer, (ii) importer, or (iii) seller) shall be jointly liable to the injured person for the damages caused by the unsafe product, regardless of whether the damages are intentionally or negligently caused by the Entrepreneur(s); the PLA prescribes that the seller(s) shall only be liable in the case where the manufacturer, the hirer, or the importer cannot be identified.

In this regard, an "unsafe product" refers to a product which causes or may cause damages either by its manufacturing defect; or its design defect; or by having no instruction preservation, warning messages, or relevant information about the product; or having incorrect or unclear information with regards to its nature including its usual usage and preservation.

Under the PLA, the injured person needs only to prove that he or she suffers from damages caused by the Entrepreneur's products and the usage or preservation of such products by its nature without needing to prove which Entrepreneur causes such damage.

TFC Thailand manufactures electronic and optoelectronic components, namely FAUs, cable, and optical engine. As a manufacturer of such products, the Thai Subsidiary may be deemed an entrepreneur under the PLA and may therefore be subject to liability for damages arising from unsafe products if such products are found to be defective or lack adequate instructions or warnings.

However, an Entrepreneur shall not be liable for damages caused by the unsafe products if they can prove that: (i) such products are not unsafe products; (ii) the injured person has already been aware that the products are unsafe; or, (iii) the damages were caused by an incorrect usage or preservation when an Entrepreneur has put the correct and clear usage, preservation, warning message or relevant information on the product.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN JAPAN

Business Registration Requirements

The establishment of a company in Japan by a foreign investor, as well as the acquisition of voting rights in a company in Japan by a foreign investor is subject to the Foreign Exchange and Foreign Trade Act (the "**FEFTA**"). The establishment of a company or the acquisition of voting rights in a company by a foreign investor may trigger filing or reporting obligations under the FEFTA. Under the FEFTA, prior notification is required when a foreign investor intends to establish or acquire voting rights in a company in Japan engaging in certain designated business sectors that may affect national security, public order, or public safety (including defense, energy, telecom, transportation, and finance). Such notification must generally be submitted at least 30 days prior to the intended establishment or acquisition. For sectors other than the designated businesses, the foreign investor is required instead to submit an ex post facto report following the establishment. Such post-establishment report must typically be filed within a prescribed period (in principle, within 45 days from the date of establishment or acquisition) in the prescribed form.

Sale of Goods and Consumer Protection

The sale of products in Japan is generally governed by The Civil Code and The Commercial Code, with product safety and warranty obligations being key aspects of sale of products. Japan's Product Liability Act imposes strict liability on any person who manufactures, processes, or imports a product in the course of business, as well as on any person who uses a name, trade name, trademark, or other indication on the product as the manufacturer, and any person who can be recognized by others as the actual manufacturer (the "**manufacturers, etc.**"). The manufacturers, etc. are liable to compensate for any personal injury (including death or bodily injury) or property infringement caused by a defect in the delivered product, which was manufactured, processed, imported, or on which indications including a name were referred to. However, this does not apply if the damage occurs to the product alone.

Under The Act on Specified Commercial Transactions, sellers are required to display particular information about their products in advertisements and purchase application forms when these are provided through websites or other media, and the transactions are carried out via communication tools such as postal mail or electronic devices. The information that must be shown includes the sale price, payment methods and timing, delivery schedule, and the relevant rules regarding withdrawal or cancellation. This Act also prohibits sellers from issuing deceptive advertisements and from sending promotional emails without obtaining the recipient's prior consent.

Import and Export and Customs Declaration Requirements

Pursuant to the Customs Act of Japan (Act No. 61 of 1954), entities engaging in international trade must adhere to strict declaration procedures. For the importation of foreign merchandise, importers are generally required to submit an official import declaration to the customs authorities. To secure import clearance, the subject goods must undergo any requisite inspections, and the importer must settle all applicable financial obligations, including customs duties, as well as national and local consumption taxes. Similarly, entities exporting goods from Japan must file an official export declaration and subject their cargo to necessary customs inspections to obtain export permission.

Upon the submission of an import or export declaration, customs authorities conduct comprehensive documentary reviews and physical inspections as deemed necessary. As a general rule, final import authorization is granted only upon confirmation that all applicable duties and taxes have been fully remitted, while export authorization is issued upon verification of compliance with relevant export regulations.

Furthermore, should the importation or exportation of specific goods be subject to licensing, approval, or trade control requirements under statutory frameworks outside the purview of customs laws (e.g., the FEFTA), the trading entity is strictly obligated to procure such authorizations from the competent ministries or agencies prior to obtaining final customs clearance.

Employment-related Matters

Employment relationships in Japan are governed primarily by The Labor Standards Act, The Industrial Safety and Health Act, and The Labor Contract Act.

The Labor Standards Act prescribes minimum working conditions applicable to most employers and employees, and any contractual terms that fall below these statutory standards are deemed invalid. The Industrial Safety and Health Act requires employers to implement workplace safety and health measures and to establish appropriate safety management systems.

Under the Labor Contract Act, when an employer dismisses or takes disciplinary action against an employee, such dismissal or disciplinary action is required to be based on objectively reasonable grounds and to be socially appropriate. Changes to employment terms that disadvantage employees must also be reasonable in order to be valid.

LAWS AND REGULATIONS IN RELATION TO U.S. OUTBOUND INVESTMENT RULE, EXPORT CONTROLS, SANCTIONS AND TARIFFS

U.S. Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury (the "**Treasury**") issued the Final Rule on Outbound Investment (the "**Outbound Investment Rule**"), which implements Executive Order 14105, Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern. The Outbound Investment Rule became effective on January 2, 2025.

The Outbound Investment Rule aims to mitigate national security risks associated with investments in sensitive technologies such as semiconductors, artificial intelligence (AI), quantum computing, and supercomputing in identified "countries of concern." Currently, "countries of concern" under the Outbound Investment Rule are limited to the PRC, including the Special Administrative Region of Hong Kong (Hong Kong), and the Special Administrative Region of Macau (Macau).

As of January 2, 2025, "U.S. persons" are subject to certain compliance obligations when engaging in certain transactions with "covered foreign persons" from countries of concern (PRC, including Hong Kong, and Macau), which may include a prohibition on the transaction or a notification requirement to the U.S. Government within 30 days of completing the transaction.

On December 18, 2025, President of the United States signed into law the Fiscal Year 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"). The COINS Act largely codifies the core of the current Outbound Investment Rule while making certain modifications. While the COINS Act was legally enacted and effective on December 18, 2025, it is not self-executing and it does not replace or amend the Outbound Investment Rule immediately. The COINS Act is a U.S. federal statute that provides the statutory basis for further rulemaking. The COINS Act requires the Treasury to, within 450 days from passage, promulgate new or amended regulations (which may then amend or replace the Outbound Investment Rule) to implement the law.

If U.S. persons engage in a "covered transaction," including a transaction that involves the acquisition of the equity interests of a "covered foreign person" that are not yet publicly traded, such U.S. persons may need to make a notification pursuant to the Outbound Investment Rule. On December 23, 2025, the U.S. Department of Treasury published additional frequently asked questions (the "**FAQs**") on the Outbound Investment Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a "covered foreign person," and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security" in 31 C.F.R. §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into.

U.S. Export Controls

The Export Control Reform Act of 2018 authorizes the U.S. President to implement "dual-use" export controls. Pursuant to this statutory authority, the U.S. Department of Commerce, BIS administers the EAR, codified at 15 C.F.R. § 730 et seq. The EAR control the export, reexport, and transfer (in-country) of dual-use commodities, software and technology. The EAR apply to all items "subject to the EAR" as defined at EAR §§ 734.2 — 734.5. Items subject to the EAR include U.S.-made items and items physically in the U.S. as well as certain non-U.S. made items. The EAR applies to goods, software and technology subject to the EAR located anywhere in the world.

In October 2022, BIS issued an interim final rule (the "**BIS October 2022 IFR**") requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is "knowledge" that the item is destined for end use in the development or production of integrated circuits at a fab in China that fabricates integrated circuits meeting certain criteria. The BIS October 2022 IFR was amended in October 2023 to strengthen export controls relating to advanced computing and semiconductor manufacturing equipment. On December 2, 2024, BIS issued an interim final rule and a final rule, which expanded controls in the EAR on advanced computing and semiconductor manufacturing items.

U.S. Sanctions

The U.S. Department of the OFAC administers regulations imposing economic sanctions on countries and designated individuals and entities. These regulations implement Executive Orders issued by the President primarily under the IEEPA. The United States maintains a set of complex restrictions on transactions involving embargoed countries and regions. As of the date of this document, Cuba, Iran, North Korea, and the Crimea, Donetsk and Luhansk regions of Ukraine are the subject of comprehensive U.S. embargoes. Other sanctions programs target activities such as terrorism, drug trafficking, human rights, and other matters of importance to U.S. national security and foreign policy. There are also strict, "near-comprehensive" sanctions in place against certain other jurisdictions such as the Russian Federation. OFAC implements "primary" and "secondary" sanctions with specific restrictions unique to each individual sanctions program. Sanctioned persons are identified on OFAC's SDN List. All assets of SDNs are blocked and U.S. persons are generally prohibited from dealing with them absent an applicable OFAC license or exemption.

U.S. Tariffs

On December 23, 2024, the Office of the U.S. Trade Representative (the "**USTR**") announced a new investigation to examine Chinese actions allegedly related to targeting of the semiconductor industry for dominance and the impact of such actions on the U.S. under Section 301 of the Trade Act of 1974 (as amended). On December 29, 2025, USTR published a Federal Register notice announcing its affirmative determination that, effective December 23, 2025, "China's acts, policies and practices are actionable under Section 301 … and that the appropriate responsive action includes taking tariff action now on semiconductors from China." Based on its findings, USTR determined under Section 301(c) that responsive action is appropriate, including additional tariffs on semiconductors from China. However, the action will have a delayed effect, with a 0% additional tariff rate at the outset followed by an increase in 18 months on June 23, 2027, "to a rate to be announced not fewer than 30 days prior to that date." These tariffs will be in addition to the existing 50% tariffs on semiconductors under USTR's separate Section 301 action in response to China's technology transfer policies. The additional tariffs, effective June 23, 2027, will apply to the products and Harmonized Tariff Schedule subheadings listed in the Notice of Action.

Starting in February 2025, the U.S. imposed another round of significant tariffs on imports from China, including two sets of tariffs under the IEEPA. These included the "reciprocal tariffs" under Executive Order 14257 and the "fentanyl tariffs" under Executive Order 14195. These measures prompted reciprocal tariffs from China and other countermeasures, including various controls on exports of rare earth elements and

critical minerals to the U.S. After a brief escalation of tariffs on Chinese goods to a baseline of 145% in April and May 2025, the parties agreed to suspend heightened tariffs as negotiations continued. On November 1, 2025, the U.S. and China announced their agreement to relax certain tariffs and other trade controls. The U.S. has lowered tariffs on Chinese imports, which were imposed to curb fentanyl flows, by removing 10 percentage points from the cumulative rate of 20%, effective November 10, 2025, and continued its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. On February 20, 2026, the U.S. Supreme Court ruled that the reciprocal tariffs and fentanyl tariffs were unlawful and IEEPA tariffs will no longer be collected starting February 24, 2026. The Trump Administration has sought to replace the IEEPA tariffs with a 10% tariff under Section 122 of the Trade Act, effective February 24, 2026. Section 122 authorizes the President to impose tariffs up to 15% to address "balance of payments" concerns for a maximum of 150 days.