REGULATORY OVERVIEW

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

A. PRC LAWS AND REGULATIONS

This section sets out a summary of certain aspects of laws and regulations of the PRC, which are relevant to the business and operations of our Group.

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 Corporation and Foreign Investment

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effective on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered

capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the 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 were promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraged Catalog**"), which was promulgated by the NDRC and the MOFCOM on December 25, 2025 and became effective on February 1, 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. According to the Negative List and the Encouraged Catalog, as of the Latest Practicable Date, our business does not fall within the scope of the Negative List and is not subject to special management measures. The industry we carry on pertains to an industry encouraged for investment under the Encouraged Catalog.

Regulations Relating to Customs Declaration

The Customs Law of the PRC (《中華人民共和國海關法》) was promulgated by the SCNPC on January 22, 1987 and effective from July 1, 1987, and last amended on April 29, 2021, stipulate that the customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or

consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise may be imposed fines by the customs.

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the "**GACC**") on 19 November 2021 and effective from 1 January 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入"多證合一"改革的公告》) jointly issued by the GACC and the SAMR on 20 December 2021 and effective from 1 January 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of "Integrating Multiple Certificates into One" and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國對外貿易法》的決定) issued by the SCNPC on 30 December 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby, namely the filing of foreign trade dealers.

Regulations on Production Safety

Pursuant to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), or the Production Safety Law, promulgated by the SCNPC on 29 June 2002 and implemented on 1 November 2002, and last revised on 10 June 2021, entities engaged in production and business activities in Mainland China shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of production safety standards, and improve the production level to ensure their production safety. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

Regulations on Product Quality

As per the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) enacted by the SCNPC on February 22, 1993, and most recently amended and implemented on December 29, 2018, producers shall be responsible for the quality of their products. The product quality shall meet the following requirements: (i) no unreasonable dangers endangering the safety of persons and property; where there are national or industry standards ensuring the health and safety of persons and property, such standards must be complied with; (ii) the product shall possess the properties it is supposed to possess, except where the product's flaws in their properties are explicitly stated; and (iii) the product shall comply with the product standards stated on the product or its packaging, and meet the quality conditions as represented in product descriptions, physical samples, etc.

Regulations on the Management of Lease Housing

Pursuant 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 and latest amended on August 26, 2019 and took effect 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 came into effect 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.

Laws and Regulations on Cyber Security, Data Security and Personal Information Protection

In accordance with the Law of the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, Network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard network security in conducting business and providing services. Network operators must take technical and other necessary measures as required by laws to safeguard the operation of networks, respond to network security events effectively, prevent illegal and criminal activities in the cyberspace, and maintain the integrity, confidentiality and usability of network data. Chinese Mainland adopts graded system for cybersecurity protection, under which network operators are required to perform the obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered.

In accordance with the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) which was promulgated by the Ministry of Public Security, State Secrecy Administration, State Cryptography Administration, and the Information Office of the State Council on June 22, 2007 and came into effect on the same date, and Information security technology — Classification guide for classified protection of cybersecurity (《信息安全技術網絡安全等級保護定級指南》), which was promulgated by Standardization Administration of the People's Republic of China on April 28, 2020 and came into effect on November 1, 2020, the hierarchical protection of the information security at the national level shall follow the principle of "independent grading and independent protection". Accordingly, the security protection grade of the information system shall be determined by entities operating and using an information system in accordance with the applicable rules.

In accordance with the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》) which was promulgated by the SCNPC on July 1, 2015 and came into effect on the same date, the PRC government shall develop network and information security assurance system, enhance network and information security assurance capabilities, strengthen innovative research and development and application of network and information technologies and realize the security and controllability of network and information core technologies, critical infrastructure and information systems and data in key areas; the PRC government shall also enhance network management, prevent, deter and punish network criminal acts such as cyber-attacks, network intrusion, network theft and illegal spread of harmful information in order to safeguard the sovereignty, security and development interests of the state cyberspace.

In accordance with the Ninth Amendment to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》) which was promulgated by the SCNPC on August 29, 2015 and came into effect on November 1, 2015, a network service provider is subject to criminal liability if such network service provider fails to perform such obligation to manage information network security as specified by laws and administrative regulations, and refuses to make corrections when is ordered by a supervisory authority to do so, and involves any of the specified serious cases.

In accordance with the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, Chinese Mainland protects the rights and interests of individuals and organizations relating to data, encourages the lawful, reasonable and effective use of data, guarantees the orderly and free flow of data in accordance with the law, and promotes the development of the digital economy with data as a key element. Chinese Mainland shall establish a data classification and grading protection system, formulate the important data catalogs to enhance the protection of important data and establish national core data management system to provide stricter protection of national core data. Processors of data shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations. To carry out data processing activities by making use of the Internet or any other information network, the aforesaid obligations for data security protection shall be performed on the basis of the graded protection system for cybersecurity. Processors of important data shall specify the person responsible for data security and management agencies, implement data security protection responsibilities, periodically conduct risk assessments of such data processing activities as provided and submit risk assessment reports to the relevant authorities.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《中華人民共和國個人信息保護法》), which came into effect on November 1, 2021. The Personal Information Protection Law aims to protect the rights and interests of personal information, regulate the processing of personal information, safeguard the orderly and free flow of personal information in accordance with the law, and promote the rational use of personal information. The Personal Information Protection Law establishes a comprehensive system of rules for the processing of personal information, including that the processing of personal information shall have a clear and reasonable purpose, that the processing of sensitive information is subject to additional protection, that the provision of personal information to outsiders and the entrusted processing of personal information requires the signing of a special agreement to ensure security, that the preservation, deletion, disclosure and automated decision-making of personal information should comply with special rules, and that processors of personal information should have appropriate organizational, institutional and technical measures in place. Processing of personal information in violation of the provisions of the Personal Information Protection Law or failure to comply with the relevant personal information protection obligations will result in the relevant entity being subject to warnings, fines, suspension of business for rectification, revocation of business permits and business licenses, and/or even being pursued for criminal liability.

On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**Safe Protection Regulations**") which came into effect on September 1, 2021. Pursuant to the Safe Protection Regulations, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation and other critical industries and domains, in which any destruction or data leakage will have severe impact on national security, the nation's welfare, the people's living and public interests. The Regulations for Safe Protection of Critical Information Infrastructure stipulate that the aforementioned competent authorities and supervision and administration

authorities of important industries and fields are the authorities responsible for critical information infrastructure security protection. Such agencies shall be responsible for organizing the determination of critical information infrastructure in the industry and field concerned according to the determination rules, inform the operators of the determination results in a timely manner, and notify the public security department under the State Council of the same. An operator shall assume strict operator responsibilities after being recognized as a critical information infrastructure operator.

According to the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) promulgated by the CAC and other regulatory authorities on December 28, 2021 and effective on February 15, 2022, critical information infrastructure operators who purchase network products and services that affect or may affect national security shall report to the cybersecurity review office for a cybersecurity review. Online platform operators possessing personal information of more than 1 million users must report to the cybersecurity review office for a cybersecurity review before going public abroad.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), which came into effect on the date of publication. The Provisions on Facilitating and Regulating Cross-Border Data Flows update the Measures for Cross-border Data Transfer Security Assessment and the Measures for the Standard Contract for the Cross-border Transfer of Personal Information previously implemented by the CAC. This provision first specifies the criteria for declaring important data for cross-border transfer security assessment. Secondly, it specifies the conditions for data cross-border transfer that are exempted from declaring the security assessment of cross-border data transfer, signing and filing a Standard Contract for the Cross-border Transfer of Personal Information, and applying for Personal Information Protection Certification. Third, it establishes a negative list system for pilot free trade zones. Fourth, adjusting the conditions for data cross-border transfer that should be declared for the security assessment of cross-border data transfer, signing and filing a Standard Contract for the Cross-border Transfer of Personal Information, and applying for Personal Information Protection Certification. Fifth, the validity period of the results of the security assessment of cross-border data transfer should be extended, and the provision that data processors may apply for an extension of the validity period of the assessment results should be made.

On September 24, 2024, the State Council issued the Regulations on Network Data Security Management (《網絡數據安全管理條例》) which took effect on January 1, 2025. The regulation introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers. The regulation also provides that Network data processors conducting any data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant national regulations.

PRC Laws and Regulations on Intellectual Property Rights

Patent

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) was enacted by the SCNPC on March 12, 1984, implemented on April 1, 1985, and most recently revised on October 17, 2020, with implementation from June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) were issued by the State Council on June 15, 2001, implemented on July 1, 2001, and most recently revised on December 11, 2023, with implementation from January 20, 2024.

According to these laws, regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued by the MIIT on August 24, 2017, and implemented on November 1, 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

Computers Software Copyright

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day, regulates the registration of software copyright, the exclusive licensing contract and assignment contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and designates the China Copyright Protection Center as the agency for software registration. The China Copyright Protection Center will grant certificates of registration to computer software copyright applicants.

Regulations on Employment and Social Welfare

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》) was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995, and most recently revised and implemented on December 29, 2018. The Labor Law of the People's Republic of China stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) was issued by the SCNPC on June 29, 2007, implemented on January 1, 2008, and most recently revised on December 28, 2012, with the revision taking effect on July 1, 2013. The Implementation Regulation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) were issued and implemented by the State Council on September 18, 2008. According to the aforementioned law and regulation, a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

Pursuant to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on 3 April 1999 and last revised on 24 March 2019, employers in Mainland China shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If an employing entity fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

Regulations Relating to Overseas Investment

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, "overseas investment" means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Regulations on Foreign Exchange

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996 and effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

On December 24, 2025, the PBOC and the SAFE jointly promulgated the Notice on Issues Concerning the Administration of Funds Raised by Domestic Enterprises [REDACTED] 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》) coming effective on April 1, 2026, under which, a domestic enterprise that conducts an overseas [REDACTED] shall, within 30 working days from the first trading day of the overseas [REDACTED] or the completion of the [REDACTED], apply to a bank within the province or the separately-[REDACTED] municipality where it is registered for overseas [REDACTED] registration. In principle, funds raised by domestic enterprises through overseas [REDACTED] shall be remitted back to Chinese mainland in a timely manner, and where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing registration from the relevant competent authorities before the date of completion of the overseas issuance or the [REDACTED], and shall comply with relevant cross-border funds administration provisions.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**") which was promulgated on March 16, 2007 and amended on February 24, 2017 and December 29, 2018, a unified income tax rate of 25% will be applied towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside of China whose "defacto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the Ministry of Science, the Ministry of Finance (the "**MOF**") and the SAT are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

Value-added Tax

According to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which were promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and were last amended on November 19, 2017. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will become effective on January 1, 2026, and the Interim Regulations on Value-added Tax of the PRC will be abolished. The Implementation Rules for the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on December 25, 1993 and amended on December 15, 2008 and October 28, 2011, organizations and individuals engaging in sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovable and importation of goods in the PRC shall be taxpayers of Value-added Tax (the "**VAT**"), and all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, the sale of services, intangible assets or immovable properties and the importation of goods within the territory of the PRC must pay value-added tax.

Regulations Relating to Overseas Offering and Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the 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 "**Overseas Listing Trial Measures**") and relevant five guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the "**Overseas Offering and Listing**"), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (i) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedure or the filing documents submitted by a PRC company contain misrepresentation, misleading statement or material omission, such PRC company may be

subject to order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly responsible persons may also be subject to fines.

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events (the "**Material Events**") after the Overseas Offering and Listing. If the overseas offering and listing has been deemed as indirect Overseas Offering and Listing by PRC domestic enterprises, the issuer shall make a detailed report to the CSRC within 3 working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing [REDACTED] status or changing the listing board; or (iv) voluntary or compulsory termination of [REDACTED]. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within 3 working days after the occurrence of the relevant change to provide an explanation of the relevant situation. According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in Overseas Offering and Listing activities shall strictly comply with the PRC laws, administrative regulations, and relevant provisions on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interests and the legitimate rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (i) formulate its articles of association, improve its internal control system and standardize its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; and (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provisions of personal information and important data.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant 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 PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC together with National Administration of State Secrets Protection and National Archives Administration of China have promulgated the Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《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》), according to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulation as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, employ necessary measures to implement the responsibility

for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service institutions, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

H-share Full Circulation

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share [REDACTED] company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed. On December 31, 2019, CSDCC and the Shenzhen Stock Exchange ("**SZSE**") jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股「全流通」業務實施細則》) (the "**Measures for Implementation**"). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》), which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On the same day, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

B. UNITED STATES LAW AND REGULATIONS

Importation of Goods into the United States

Companies importing goods into the United States must comply with requirements enforced by U.S. Customs and Border Protection ("**CBP**"). The principal statutory framework governing the importation of goods is the Tariff Act of 1930 (the "**Tariff Act**"), as amended by the Customs Modernization Act (the "**Mod Act**"), together with the regulations of CBP. Under the Mod Act, importers and CBP share responsibility for ensuring compliance with customs laws, and importers are required to use "reasonable care" in making entry of imported goods, declaring customs value, tariff classification, and country of origin, providing other information necessary for CBP to properly assess duties, and ensuring compliance with all other applicable legal requirements. Importers are also liable for the payment of customs duties.

In connection with the importation of the Group's products into the United States, the Group's U.S. customers act as the Importer of Record ("**IOR**") and the Group itself does not act as the IOR. As the Group is not the IOR, it is not directly subject to U.S. laws and regulations relating to the importation of goods, and no license or permit is required of the Group for such importation. The Group cooperates with the IOR in connection with the IOR's importation of the Group's products, and provides the IOR with information such as transaction value, tariff classification information, and country of origin data.

Antidumping and Countervailing Duty Laws

Under the Tariff Act, the U.S. federal government can impose antidumping duties and countervailing duties on imported goods to protect U.S. industries from injury caused by unfair competitive practices. Antidumping duties are intended to address foreign price discrimination, where a foreign party sells products in the U.S. market for less than their normal value. Countervailing duties are intended to offset the effects of certain foreign government subsidies to local industries that benefit the production, manufacture, or exportation of goods. Investigations of unfair competitive practices may be initiated upon petition by a U.S. industry to the U.S. Department of Commerce (the "**Commerce Department**") and the U.S. International Trade Commission, or, in rare situations, by the Commerce Department on its own initiative.

U.S. Origin Claims and Made in USA Labeling

The Made in USA Labeling Rule (the "**Labeling Rule**") promulgated by the U.S. Federal Trade Commission (the "**FTC**") governs whether a product can be labeled, promoted, or marketed as "Made in USA." While there is no general legal requirement that products sold in the U.S. be labeled "Made in USA" (other than for automobiles, textiles, wool, and fur products), manufacturers and marketers who choose to make claims about U.S. content must comply with the FTC's Made in USA Policy Statement and the Labeling Rule. For an unqualified "Made in USA" claim, the product must be "all or virtually all" made in the U.S., and the FTC considers factors including the proportion of total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content to the product's form or function. Manufacturers and marketers must possess a "reasonable basis" supported by competent and reliable evidence for any such claims. Additionally, for products that include U.S. content or processing, a qualified "Made in USA" claim may be appropriate to the extent that the product does not meet the criteria for making an unqualified "Made in USA" claim.

Importantly, the country-of-origin determination by CBP and the eligibility of "Made in USA" claims under FTC jurisdiction are assessed separately; even if CBP determines that an imported product is of U.S. origin, it may not be permissible to promote the product as "Made in USA" under the FTC's standards.

U.S. Export Control

The U.S. Export Administration Regulations (the "**EAR**") govern the export, reexport and transfer (in-country) of "items subject to the EAR" and have an extraterritorial application. In general, the EAR may apply to (i) items of U.S. origin; (ii) foreign-made items that incorporate controlled U.S.-origin content exceeding the applicable de minimis threshold; and (iii) certain foreign-made items that are the direct product of specified U.S.-origin technology or software under the Foreign Direct Product ("**FDP**") rules.

Compliance with the EAR is generally determined based on multiple factors, including a product's export control classification, the destination of the transaction, the end use of the item, and the status of the relevant counterparty or end user under applicable U.S. restrictive lists, such as the U.S. Entity List. Depending on these factors, certain exports, reexports or transfers may be subject to licensing requirements or other restrictions under the EAR.

U.S. Import and Export Tariff Policies

The U.S. tariff and customs regime operates under a comprehensive statutory and regulatory framework. Imported goods are classified for tariff purposes under the Harmonized Tariff Schedule of the United States ("HTSUS"), which is administered and periodically updated by the United States International Trade Commission ("USITC") to reflect developments in trade policy and international commerce. Products imported into the United States are required to be classified under the applicable HTSUS heading and subheading. In addition, the United States has adopted various import tariff measures in recent years pursuant to multiple statutory authorities, including Section 301 and Section 122 of the Trade Act of 1974, Section 232 of the Trade Expansion Act of 1962 and the International Emergency Economic Powers Act ("**IEEPA**").

Section 301 tariffs authorize the Office of the United States Trade Representative to impose tariff and non-tariff measures in response to certain acts, policies or practices of foreign governments that are deemed to violate international trade agreements or otherwise burden or restrict U.S. commerce. Tariffs imposed under Section 301 are product-specific and may apply to imports from designated jurisdictions. In the context of imports from China, the United States has implemented several rounds of Section 301 tariff measures through different tariff lists or "tiers" (commonly referred to as List 1, List 2, List 3 and List 4), each covering different categories of products classified under specified HTSUS codes. In general, List 1 and List 2 primarily covered industrial machinery, electronics and intermediate products, while List 3 and List 4 expanded the scope to a broader range of consumer and commercial products. The applicable tariff treatment may also be adjusted from time to time through subsequent investigations, exclusions, amendments, suspension measures or other administrative actions by the United States government.

Section 232 tariffs permit the U.S. government to impose import restrictions on certain products following a determination that such imports threaten to impair U.S. national security. Measures adopted under Section 232 are based on industry-specific investigations conducted by the U.S. Department of Commerce.

In 2025, the U.S. government implemented a series of executive actions that further intensified trade restrictions on imports from China and other countries. On February 1, 2025, the United States issued an Executive Order under the IEEPA titled "Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China," pursuant to which an additional 10% tariff was imposed on imports from China effective February 4, 2025 (the "**Fentanyl Tariff**"). On March 3, 2025, the Fentanyl Tariff measures were further increased to 20%. Furthermore, on April 2, 2025, the United States issued Executive Order 14257 under the IEEPA, which established a baseline tariff rate of 10% applicable to imports from all countries and introduced an additional country-specific reciprocal tariff regime targeting jurisdictions with significant trade imbalances with the United States, including China (the "**Reciprocal Tariffs**"). Pursuant to the Reciprocal Tariffs, imports from China became subject to an additional 24% reciprocal tariff on top of the baseline 10% tariff. Following China's retaliatory countermeasures, the United States subsequently issued Executive Order 14259 on April 8, 2025 and Executive Order 14266 on April 9, 2025, raising the applicable ad valorem duty rate for imports from China in recognition of China's retaliation against the United States, which ultimately caused effective tariff rates on Chinese imports to reach triple digits.

Following several rounds of bilateral negotiations between the United States and China, the tariff measures described above were subsequently adjusted on multiple occasions. In particular, on May 12, 2025, the two countries issued a Joint Statement following negotiations held in Geneva, pursuant to which the United States agreed to suspend 24 percentage points of the additional Reciprocal Tariffs applicable to imports from China for an initial period of 90 days, while retaining the remaining 10% ad valorem rate, and to remove the additional tariff measures introduced under Executive Orders 1 4259 and 14266. The changes took effect on May 14, 2025. The 20% Fentanyl Tariffs, the Section 301 tariffs imposed beginning in 2018, and other applicable tariffs remained unaffected by the Geneva arrangement.

Following further rounds of talks held in London in June 2025 and in Stockholm in July 2025, the two countries issued a Joint Statement on August 12, 2025, pursuant to which the suspension of the 24% reciprocal tariffs was extended for an additional 90-day period, running from August 12, 2025 to November 10, 2025, while the remaining 10% reciprocal tariff continued to apply. Thereafter, on October 30, 2025, President Trump and Chinese state leadership met in person in Busan, Republic of Korea, on the sidelines of the APEC Summit, and reached a broader trade understanding. Pursuant to the arrangement announced on November 1, 2025, the United States agreed to: (i) maintain the suspension of the heightened Reciprocal Tariffs on Chinese imports until November 10, 2026 (with the 10% reciprocal tariff remaining in effect during the suspension period); (ii) reduce the Fentanyl Tariffs from 20% to 10%, effective November 10, 2025; and (iii) further extend the expiration of certain Section 301 tariff exclusions, which were due to expire on November 29, 2025, until November 10, 2026. In return, China agreed to suspend the export controls on rare earths and related materials announced on October 9, 2025, suspend all retaliatory tariffs announced since March 4, 2025, and etc. The foregoing measures were implemented by way of two executive orders issued by the White House on November 4, 2025.

On February 20, 2026, the U.S. Supreme Court affirmed the lower court's ruling and invalidated tariffs imposed under the IEEPA, including the Reciprocal Tariff and the Fentanyl Tariff. Following this decision, the administration rescinded such tariffs and, under separate statutory authority, imposed new tariffs under the Section 122 at a rate of 10% on a global basis for a 150-day period, while indicating that it may rely on other statutory authorities to impose additional tariffs. U.S. tariff policies remain subject to rapid change, and the timing, scope, impact and potential legal challenges of any newly implemented measures are uncertain.

During the same period, China has adopted corresponding countermeasures, including the imposition of additional tariffs on certain U.S.-origin products, primarily in response to tariff measures imposed by the United States.

Product Liability

Under U.S. law, manufacturers and sellers of products may be held liable under theories of strict liability, negligence, and breach of warranty for personal injury or property damage caused by defective products. Product liability is primarily a matter of state law. As a foreign manufacturer selling products into the U.S., the Group may be subject to product liability claims in U.S. state or federal courts under principles of specific personal jurisdiction, which permits a state to exercise jurisdiction when a plaintiff's claims arise out of or relate to the defendant's purposeful contacts with the forum. Whether specific personal jurisdiction can be established is highly fact-dependent. For example, the U.S. Supreme Court held that specific personal jurisdiction is established and the plaintiff's claims are closely related to the defendant's in-state activities when the defendant had engaged in substantial businesses in the forum states, including advertising by billboard, TV, radio, print ads and direct mail, maintaining several dealerships, and distributing replacement parts to its own dealers and independent stores throughout the forum states.

Intellectual Property

Intellectual property ("**IP**") in the United States is subject to both state and federal laws. The categories of IP protected by U.S. law include patents, trademarks and copyrights. Each category is regulated by distinct legal authorities and has distinct subject matter, scope of protection, and enforcement considerations.

U.S. patents are regulated by the United States Patent and Trademark Office ("**USPTO**") under the federal Patent Act of 1952 (the "**Patent Act**"), codified as amended in Title 35 of the United States Code, with significant amendments introduced by the Leahy-Smith America Invents Act ("**AIA**") in 2011. Patents are exclusively regulated by federal law. Patent rights include the exclusive rights to make, use, sell, offer for sale, and import, the subject matter in the claims of the utility patents, design patents, or plant patents. Patent rights are secured through the successful prosecution of patent applications, and the U.S. follows a first-inventor-to-file system.

Trademarks are protected under the Lanham Act at the federal level. Additionally, trademarks receive protections from common law and state laws. Trademarks can include any word, name, symbol, or device, or any combination thereof, or other non-traditional trademarks such as a sound, used in commerce by the owner or a licensee to provide goods or services. Federal trademark applications can be filed on either a use basis or, if the applicant has a bona fide intention to use the mark in commerce, on an intent to use basis. Trademark rights are secured through use in commerce.

Copyrights are exclusively regulated by the U.S. Copyright Office under federal law, specifically, the Copyright Act (Title 17 of the United States Code). Copyright rights arise automatically upon fixation of an original work of authorship in any tangible medium of expression. Registration is not required for copyright protection, but registration is required to enforce a copyright and also provides advantages for enforcement. A copyright owner has the exclusive right to reproduce a work, prepare derivatives of a work, distribute copies of a work, perform a work and, in the case of sound recordings, publicly perform the work by digital audio transmission.

C. LAWS ON TRANSFER PRICING

PRC Laws and Regulations on Transfer Pricing

Tax Collection and Administration Law of the People's Republic of China (《中華人民共和國稅收徵收管理法》) that was revised by the SCNPC on April 24, 2015 and became effective on the same day, and the Implementing Regulations of the Tax Collection and Administration Law of the People's Republic of China (《中華人民共和國稅收徵收管理法實施細則》) that was revised by the State Council on February 6, 2016 and became effective on the same day, for business transactions between affiliated enterprises, the receipt or payment of prices and fees shall follow the arm's length principle. Where the receipt or payment of prices and fees does not follow the arm's length principle and results in a reduction of taxable income, the tax authorities shall have the right to make reasonable adjustments.

Based on the Announcement of the State Taxation Administration on Matters Relating to the Improvement of the Administration of Related Party Transaction Reporting and Contemporaneous Documentation (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》) promulgated and became effective on June 29, 2016, enterprises which have related-party transactions and meet corresponding conditions shall prepare their contemporaneous documentation (同期資料) per tax year and submit to the tax authority if required by the same. Contemporaneous documentation includes master file (主體文檔), local file (本地文檔) and special issue file (特殊事項文檔).

According to the Announcement of the State Taxation Administration on Issuing the Administrative Measures for Special Tax Adjustment and Investigation and Mutual Agreement Procedures (《國家稅務總局關於發佈特別納稅調查調整及相互協商程序管理辦法的公告》) which was issued on March 17, 2017 and became effective on May 1, 2017 and was amended on June 15, 2018, an enterprise may adjust and pay taxes at its own discretion when it receives a special tax adjustment risk warning or identifies its own special tax adjustment risks, while the tax authorities may also carry out special tax investigation and adjustment in accordance with the relevant provisions in regard to enterprises that adjust and pay taxes at their own discretion.

Vietnam Regulations on Transfer Pricing

Transfer pricing ("**TP**") is primarily regulated under Decree No. 132/2020/ND-CP, which was subsequently amended and supplemented by Decree No. 20/2025/ND-CP. The Decree prescribes tax regulations for enterprises with related party transactions ("**RPTs**"). The Vietnamese TP regime largely aligns with the principles of TP Guidelines set out by the Organization for Economic Co-operation and Development ("**OECD**"). Taxpayers are required to prepare: (i) Annual TP Disclosure Forms, which are to be filed together with the annual Corporate Income Tax ("**CIT**") return; and (ii) TP Documentation, consisting of a Local File, a Master File and Country-by-country report ("**CbCR**") where applicable. A taxpayer is exempt from preparing the Local File and Master File if any one of the following conditions is met: (a) has revenue under VND 50 billion and total value of RPTs under VND 30 billion in a tax period; (b) concludes an advance pricing agreement ("**APA**") and submits annual APA report (for RPTs not covered by the APA, the documentation requirements still apply); (c) has revenue under VND 200 billion, performs simple functions, and achieves at least the following ratios of earnings before interest and tax to revenue: distribution (5%), manufacturing (10%), processing (15%); or (d) only engages in domestic RPTs, where all parties are subject to the same tax rate, and none enjoy tax incentives. The Local and Master Files are required to be prepared in Vietnamese by the CIT filing date and submitted only when requested by the tax authority. A taxpayer is required to submit a CbCR if the ultimate parent entity's global revenue exceeds VND 18 trillion, within 12 months after the ultimate parent entity's fiscal year end. In addition, such taxpayers are also required to submit a CbCR notification within 30 days after the end of the fiscal year.

Hong Kong Laws and Regulations Relating to Transfer Pricing

The IRD may make transfer pricing adjustments by disallowing expenses incurred by Hong Kong residents under sections 16(1), 17(1)(b) and 17(1)(c) of the IRO and challenging the entire arrangement under general anti-avoidance provisions of the IRO if the IRD considers that the related party transactions are not conducted on an arm's length basis. In December 2009, the IRD released Departmental Interpretation and Practice Notes No. 46 ("**DIPN 46**"). DIPN 46 provides clarifications and guidance on the IRD's views on transfer pricing and how it intends to apply the existing provisions of the IRO to establish whether related parties are transacting at arm's length prices. In general, the practices followed by the IRD are based on the transfer pricing methodologies recommended by the OECD Transfer Pricing Guidelines.

In April 2009, the IRD released Departmental Interpretation and Practice Notes No. 45 ("**DIPN 45**"). DIPN 45 provides that where double taxation arises as a result of transfer pricing adjustments made by the tax authorities of another country, a Hong Kong taxpayer may potentially claim relief under the treaty between Hong Kong and that country (countries that entered into tax arrangements with Hong Kong include the PRC).

Section 50AAF of the IRO allows for an adjustment of a taxpayer's profit upwards/losses downwards if the taxpayer has entered into transaction(s) with an associated person, and the pricing of such transaction(s) differs from that between independent persons and has created a Hong Kong tax advantage. Section 82A of the IRO stipulates that a person is liable to be assessed for penalties to additional tax of the amount of tax undercharged resulting from transfer pricing adjustments, unless it is proved that reasonable efforts have been made to determine the arm's length price for the transaction(s).

D. LAWS AND REGULATIONS IN VIETNAM

Overview

Fiber Connect (Viet Nam) Co., Ltd and ADTEK Manufacturing (Viet Nam) Co., Ltd (collectively, the "**Vietnam Subsidiaries**") are companies incorporated in Vietnam and wholly owned by ADTEK.

Business and Foreign Investment in Vietnam

Under the Law on Investment 2025 and the Law on Enterprises 2020 (as amended), a foreign investor may invest in Vietnam by, among other means, establishing a foreign-invested economic organization ("**FIEO**"). The general licensing procedures comprise obtaining an investment registration certificate ("**IRC**") from the relevant provincial Department of Finance ("**DOF**"), or the management authority of the relevant industrial zone, export processing zone, economic zone, or high-tech zone, and subsequently obtaining an enterprise registration certificate ("**ERC**") from the business registration office of the provincial DOF. Notably, under the Law on Investment 2025 (effective from 1 March 2026), foreign investors are now permitted to establish a FIEO prior to carrying out the procedures for issuance or amendment of the IRC, subject to satisfying the applicable market access conditions. A foreign investor should ascertain whether the expected business lines fall within the list for which foreign investment is prohibited or subject to market access conditions. After obtaining an IRC and an ERC, a FIEO must carry out several statutory procedures, including opening a direct investment capital account and submitting periodic reports on the progress and implementation of the investment project.

Environmental Protection in Vietnam

The Law on Environmental Protection No. 72/2020/QH14, as amended, establishes the legal framework for environmental protection in Vietnam and sets out the rights and obligations of related individuals and organizations. The investors and/or the investee companies are required to comply with environmental protection obligations, including, among others: (i) carrying out licensing procedures for environmental impact assessment, environmental permits, and/or environmental registration before commencing the investment project; and (ii) during the operation of the investment project, applying appropriate measures to protect the environment, such as collecting, classifying, storing, and/or treating waste, and ensuring sufficient human resources and equipment to prevent or respond to environmental incidents, in accordance with Vietnamese laws.

The environmental license is issued by the competent authority to an organization or individual engaged in production, business, or service activities that discharge waste into the environment, manage waste, or import scraps for use as production materials. The investors of Group-I Projects, Group-II Projects, and Group-III Projects must obtain an environmental license when officially commencing operations if the projects: (i) discharge wastewater, dust, or emissions that must be treated; or (ii) discharge hazardous wastes that must be managed in accordance with the law. Projects that are likely to cause adverse environmental impacts are subject to environmental impact assessment requirements and must submit an EIA report for appraisal and approval by the competent environmental authority prior to project implementation.

Regulations on Labour

The main law governing employment relationships in Vietnam is the Labor Code 2019, which establishes the legal framework for the rights and obligations of employers and employees with respect to labor contracts, salary, working hours, overtime, labor safety and hygiene, disciplinary measures, and termination of employment, among other matters. Labor contracts may take the form of indefinite-term or definite-term contracts (not exceeding 36 months). Regular working hours cannot exceed 8 hours per day or 48 hours per week. Employers are generally permitted to arrange overtime, subject to the employee's consent and statutory caps. Employers employing 10 or more employees must have written internal labor rules registered with the local labor authority. Employers and employees are subject to various requirements on labor safety and hygiene at the workplace, such as periodical testing of machinery and equipment, personal protective facilities, and periodic health checks.

Foreigners who work in Vietnam are required to obtain a work permit or a confirmation from the local labor authority that they are exempt from work permits before starting work. The term of a work permit shall not exceed two years. The term of the labor contract of a foreign employee working in Vietnam must not exceed the term of the work permit.

Regulations on Statutory Insurance

Employers and employees must make contributions to compulsory insurance schemes on a monthly basis, which include social insurance, health insurance, occupational accident and disease insurance, and unemployment insurance. The contributions are calculated based on the employee's salary specified in the labor contract at the following mandatory rates: (i) social insurance: 17% (employer) and 8% (employee); (ii) health insurance: 3% (employer) and 1.5% (employee); (iii) occupational accident and disease insurance: 0.5% (employer only); and (iv) unemployment insurance: 1% (employer) and 1% (employee). The total mandatory contribution rate is 21.5% for the employer and 10.5% for the employee. These obligations apply to Vietnamese employees and certain categories of foreign employees working under labor contracts in Vietnam.

Regulations on Employee Representative Organizations

Pursuant to the Labor Code 2019 (as amended), employees have the right to establish, join, and participate in trade unions in accordance with the Law on Trade Unions 2024, and have the right to establish, join, and participate in the activities of employee organizations at the enterprise level in accordance with the Labor Code 2019. An employee representative organization at the grassroots level (including trade unions and employee organizations at the enterprise level) is a voluntary organization established by employees within an employing entity to protect their lawful rights and legitimate interests in labor relations through collective bargaining or other means in accordance with labor law.

Regulations on Data Privacy

In Vietnam, data privacy is primarily regulated by the Law on Personal Data Protection 2025 and Decree No. 356/2025/ND-CP, both of which took effect on 1 January 2026. By law, data controllers, data processors, or data controller-cum-processors are required to prepare, retain, and send a copy of a data protection impact assessment dossier ("**DPIA**") to the Department of Cyber Security and Hi-tech Crime Prevention under the Vietnamese Ministry of Public Security ("**DCHCP**") within 60 days from commencement of, or changes to, personal data processing activities. In addition, enterprises are responsible for appointing a department or personnel with sufficient qualifications and capacity to protect personal data, or for engaging an organization or individual to provide personal data protection services.

Regulations on Intellectual Property

Intellectual property rights in Vietnam are primarily governed by the Law on Intellectual Property No. 50/2005/QH11, adopted by the National Assembly of Vietnam on November 29, 2005, as amended, together with its implementing regulations. The law provides protection for copyrights, trademarks, patents, industrial designs, geographical indications, trade secrets, and plant varieties, among others. Vietnam follows a "first-to-file" principle for registering industrial property rights such as trademarks and patents. Applications are administered by the Intellectual Property Office of Vietnam under the Ministry of Science and Technology. Vietnam is also a member of major international treaties on IP protection, including the Paris Convention 1883, the Berne Convention 1886, the Madrid System, and the Patent Cooperation Treaty. Enforcement of IP rights may be pursued through administrative actions, civil proceedings, or criminal sanctions, depending on the nature and seriousness of the infringement.

Regulations on Taxation

Corporate Income Tax. Enterprises established under the laws of Vietnam are subject to corporate income tax ("**CIT**"). Under the Law on Corporate Income Tax No. 67/2025/QH15 (effective from 1 October 2025 and applicable to the 2025 tax year onwards), CIT rates vary based on annual revenue. CIT rates of 15% and 17% apply to businesses with annual revenue of VND 50 billion or less in the preceding tax year, while a 20% rate applies to businesses with annual revenue above VND 50 billion. Preferential tax rates, tax exemptions, or tax reductions may be available to eligible projects in certain encouraged industries (e.g., application of high-tech and science, semiconductor value chain, production and assembly of automobiles, production of software products, industrial supporting products, renewable energy, etc.) or locations (i.e., areas with difficult or extremely difficult socio-economic conditions, economic zones, hi-tech zones, hi-tech agriculture zones, concentrated digital technology zones).

Value-Added Tax. Organizations and individuals who produce and trade in taxable goods and services in Vietnam or who import taxable goods and services from overseas are liable to pay value-added tax ("**VAT**"). A zero rate applies to exported goods and services and international transportation services. A reduced rate of 5% applies to the supply of essential goods and services such as clean water, fertilizer production, medicine and medical equipment, various agricultural products and services, teaching tools and products, and social housing. A standard rate of 10% applies to other goods and services (a reduced rate of 8% currently applies for certain items until 31 December 2026), except for those specifically named items which are subject to 0% or 5% tax rates.

Personal Income Tax. Corporate employers in Vietnam are required to withhold, declare, and pay personal income tax on the remuneration paid to their employees. Progressive tax rates from 5% to 35% apply for employees who are Vietnamese tax residents. A flat tax rate of 20% applies for Vietnamese non-tax residents.

Withholding Tax. Withholding tax (also known as foreign contractor tax) applies to certain payments to foreign parties, such as interest, service fees, royalties, and leases. This comprises a combination of CIT and VAT at varying rates depending on the nature of the income. For example: general services are subject to 5% VAT and 5% CIT; construction and installation without the supply of materials, machinery, or equipment are subject to 5% VAT and 2% CIT; construction and installation with the supply of materials, machinery, or equipment are subject to 3% VAT and 2% CIT; leasing of machinery and equipment is subject to 5% VAT and 5% CIT; and interest on foreign borrowings is exempt from VAT but subject to 5% CIT.

Customs Duties. Import duty applies to most goods imported into Vietnam, unless exempt under special conditions. Import duty is assessed on an ad valorem basis, calculated by multiplying the dutiable value of imported goods by the applicable import duty rate. Import duties fall into three categories: ordinary, preferential, and special preferential rates. Preferential rates apply to goods imported from countries that have Most Favored Nation status with Vietnam. Special preferential tariffs apply to goods imported from countries with a preferential agreement or free trade agreement with Vietnam. Vietnam encourages export-based activities, and most exported goods are exempt from export duties. However, export duties are imposed on certain items, including minerals, forestry products, and scrap metal, with rates ranging from 0% to 40%.

Business License Tax. Business license tax is payable by enterprises established under the laws of Vietnam on an annual basis. The rate depends on the registered charter capital, with a maximum amount currently set at VND 3 million per annum. Business license tax filing and payment obligations are no longer required from 1 January 2026.

Dividends and Distributions. Dividends payable to a foreign corporate investor of a foreign-invested enterprise are not subject to withholding or other taxes under the laws and regulations of Vietnam. Generally, a foreign corporate shareholder of a foreign-invested enterprise may distribute and repatriate profits provided it has fulfilled its financial obligations to the Government of Vietnam. Foreign investors are permitted to purchase foreign currency via bank transfer in order to remit profits and other lawful proceeds denominated in Vietnamese Dong overseas.

Regulations on Foreign Exchange Control

A company incorporated under the laws of Vietnam is designated as a resident for exchange control purposes, including foreign-invested enterprises. A FIEO is required to open a "direct investment capital account" ("**DICA**") in foreign currency at a licensed bank in Vietnam to conduct transactions relating to foreign direct investment, including receipt of capital contributions, disbursement of profits and other lawful income to foreign investors overseas, and drawdown and repayment of foreign loans. Foreign currency payments within the territory of Vietnam are strictly prohibited for most transactions between Vietnamese residents and are subject to strict control by the State Bank of Vietnam, except for limited cases provided by law. One notable exception applies to export processing enterprises ("**EPEs**"), which are permitted to quote prices, set prices, state prices in contracts, and make payments in foreign currency (by bank transfer) in certain transactions, including purchases of goods from the domestic market for producing export goods and transactions with other EPEs.

Regulations on Product Quality

In Vietnam, there are two types of technical characteristics and management requirements for goods manufactured in Vietnam for export: technical regulations (in Vietnamese, "*quy chuẩn kỹ thuật*") and standards (in Vietnamese, "*tiêu chuẩn*"). These are governed by the Law on Standards and Technical Regulations No. 68/2006/QH11 adopted by the National Assembly of Vietnam on June 29, 2006, as amended (the "**Law on Standards and Technical Regulations 2006**"), and Decree No. 22/2026/ND-CP dated 16 January 2026. Technical regulations must be strictly followed during the production and trading of goods when applicable. Standards are generally voluntary unless they are specifically required by law or incorporated into technical regulations, in which case they become mandatory. The Law on Standards and Technical Regulations 2006 does not restrict the use of international standards for manufacturing goods in Vietnam.

Under the Law on Quality of Goods and Products No. 05/2007/QH12 adopted by the National Assembly of Vietnam on November 21, 2007, as amended, manufacturers operating as EPEs and producing goods for export must ensure that their exported products comply with the regulations of the importing country, the contractual terms, and any applicable international treaties or mutual recognition agreements on conformity assessment between the relevant countries or territories. Manufacturers may voluntarily adopt relevant Vietnamese standards.

Regulations in Relation to Industrial Zone and Export Processing Zone

In Vietnam, an enterprise located in an export processing zone and engaged in producing export goods is considered an EPE and must notably comply with Decree No. 35/2022/ND-CP on the management of industrial zones and economic zones (as amended) ("**Decree 35**"). Under Decree 35, EPEs are generally entitled to investment incentives and non-tariff zone tax benefits from the date the IRC is issued (where applicable) that records the investment objective of establishing an EPE. Specifically, goods imported into the export processing zone for manufacturing export products, as well as goods produced within the zone and exported, are not subject to import and export tax duties. To qualify for these non-tariff zone tax benefits, an EPE must be certified by the Vietnamese customs authority as satisfying the conditions for customs inspection and supervision after completing the construction phase and before commencing operations. The EPE is not permitted to use any assets, machinery, or equipment that benefit from EPE tax incentives for other business activities; otherwise, any tax incentives received must be returned to the State.

If an EPE lacks sufficient on-site storage space for its export processing activities within the export processing zone, industrial park, or economic zone, it may lease warehouses outside these zones, provided that: (i) the warehouses are certified by the customs authority as satisfying the requirements for customs management applicable to industrial sub-zones designated for EPEs as required by law; and (ii) the investment authorities where the EPE is headquartered are notified and the investment project is amended (if applicable).

Regulations on Land

Private ownership of land is not permitted in Vietnam. Land belongs to the entire people, with the State acting as the representative owner and unified administrator. However, Vietnamese law recognizes the right to use land, which is determined by the category of land use purposes and the type of land user. This right is referred to as the land use right. Land users are issued with a certificate of land use rights and ownership of assets attached to land. A FIEO is recognized under the Law on Land 2024 as a category of land user and as such, is entitled to hold land use rights in Vietnam. Such entity may obtain land use rights by, among other means: (i) leasing from certain permitted lessors such as the State or an industrial zone developer; (ii) receiving capital contributions in the form of land use rights; or (iii) receiving transfers of land use rights and assets attached to land in industrial parks, industrial clusters, and high-tech parks.

Regulations on Fire Protection and Prevention

According to the Law on Firefighting, Prevention and Rescue 2024 and other relevant regulations, the Government, the Ministry of Public Security, the local Fire and Rescue Police Department, and the local People's Committee are the key authorities that monitor and administer fire prevention and firefighting affairs. Before starting construction of works listed in Annex III of Decree No. 105/2025/ND-CP (which elaborates on certain articles and measures for implementing the Law on Firefighting, Prevention and Rescue 2024) ("**Decree 105**"), the owners of construction works must have the firefighting and prevention design appraised by the competent authorities. After completing construction and before commencing operations, the owners must organize the acceptance of the construction works in terms of firefighting and prevention and obtain approval from the competent authorities on the acceptance result. Under Decree 105, the owner of an establishment listed in Annex VII thereto must procure compulsory fire and explosion insurance for its properties, except for establishments managed by the Ministry of National Defense or the Ministry of Public Security for military, defense, security, and public order purposes.

E. INTERNATIONAL SANCTIONS LAWS AND REGULATIONS

Set out below is a summary of the sanctions regimes imposed by the United States. This summary does not set out the U.S. sanctions laws and regulations in their entirety.

United States

Treasury regulations

The Office of Foreign Assets Control ("**OFAC**") is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or

permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest, and no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, the Crimea, the so-called Luhansk People's Republic and the Donetsk People's Republic regions. OFAC also prohibits U.S. persons from dealing with or facilitating dealings with individuals, entities and organizations identified in the SDN List or other sanctions lists. Doing business with individuals or entities from a country or region subject to selective sanctions maintained by OFAC (currently including Russia, Belarus, Venezuela and other countries/regions) will not automatically trigger sanctions risks unless a Sanctioned Target is involved. An entity that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) is also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.