REGULATIONS

This section summarizes the main PRC laws, regulations and policies related to the company's daily business activities currently carried out in China.

Principal Regulatory Authorities

We are primarily engaged in advanced integrated circuit packaging and testing, and are subject to the supervision of the National Development and Reform Commission (the "**NDRC**") and the Ministry of Industry and Information Technology of the PRC (the "**MIIT**").

The main responsibilities of the NDRC include: formulating and organizing the implementation of national economic and social development strategies, medium- and long-term development plans, and annual plans; coordinating economic and social development in a comprehensive manner; coordinating and resolving relevant major issues in economic operations; and being responsible for the regulation of economic operations.

The main responsibilities undertaken by the MIIT include: proposing strategies and policies for the development of new-type industrialisation; formulating and organizing the implementation of industry plans, programs, and industrial policies, including regulations for the integrated circuit industry; monitoring and analyzing the operational trends of the industrial sector; collecting and releasing relevant information; and drafting and organizing the implementation of policies for energy conservation, comprehensive resource utilization, and the promotion of clean production in the industrial sector.

INDUSTRIAL POLICIES

Regulations relating to the integrated circuit industry

On June 24, 2014, the State Council issued the Guidelines for the Promotion of the Development of the National Integrated Circuit Industry, proposing to enhance the development level of the advanced packaging and testing industry, and vigorously promote the merger and reorganization of domestic packaging and testing enterprises to increase industrial concentration. To meet the needs of the evolution and upgrade of integrated circuit design and manufacturing process nodes, we will carry out the development and industrialisation of advanced packaging and testing technologies such as Chip Scale Package (CSP), Wafer Level Package (WLP), Through Silicon Via (TSV), and 3D packaging.

On July 27, 2020, the State Council issued the Several Policies for Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry in the New Era, encouraging the development of advanced packaging and testing enterprises and providing policy support in areas such as taxation, investment and financing, research and development, import and export, talent, and intellectual property rights.

On December 27, 2023, the NDRC issued the Industrial Structure Adjustment Guidance Catalog (2024 Edition), in which the encouraged categories include: Integrated Circuits: integrated circuit design; production of logic circuits and memories with an integrated circuit line width of less than 65 nanometres (inclusive); production of specialty process integrated circuits with a line width of less than 0.25 micrometers (inclusive) (including production of masks and silicon wafers of 8 inches and above); production of compound integrated circuits with an integrated circuit line width of less than 0.5 micrometers (inclusive); advanced packaging and testing integrating one or more technologies such as Ball Grid Array (BGA), Pin Grid Array (PGA), Chip Scale Package (CSP), Multi-Chip Module (MCM), Land Grid Array (LGA), System-in-Package (SiP), Flip Chip (FC), Wafer Level Packaging (WLP), sensor packaging (MEMS), 2.5D, and 3D; and manufacturing of integrated circuit equipment and key components.

Regulations relating to foreign investment

The Company Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 29, 1993, as most recently amended on December 29, 2023 and effective from July 1, 2024, provides that companies established in China may take the form of a limited liability company or a joint stock limited company. A company enjoys the status of a legal person and possesses independent property. The Company Law of the People's Republic of China shall likewise apply to foreign-invested companies.

According to the Foreign Investment Law of the People's Republic of China promulgated by the National People's Congress on March 15, 2019 and the Regulation on the Implementation of the Foreign Investment Law of the People's Republic of China (the "**Regulation on the Implementation of the Foreign Investment Law**") promulgated by the State Council on December 26, 2019 (both of which came into effect on January 1, 2020), the State shall implement the management systems of pre-establishment national treatment plus a negative list for foreign investment. Pre-establishment national treatment refers to the treatment accorded to foreign investors and their investments during the investment access stage that is no less favorable than that accorded to domestic investors and their investments, except where foreign investment enters "restricted" or "prohibited" fields or industries; The Negative List refers to the special administrative measures for the access of foreign investment into the aforementioned "restricted" or "prohibited" fields or industries, which are proposed by the investment department under the State Council in conjunction with the commerce department and other relevant departments under the State Council, and are released by the State Council or released by the investment department and commerce department under the State Council upon approval by the State Council. The State shall accord national treatment to foreign investment outside the negative list. Foreign investors shall not invest in fields where investment is prohibited by the negative list; for fields where investment is restricted by the negative list, foreign investors shall meet the prescribed investment conditions; foreign investment in fields outside the negative list shall be managed in accordance with the principle of equal treatment for domestic and foreign investment. The State has established a foreign investment information reporting system. Meanwhile, the relevant competent government departments shall, in accordance with the needs of national economic and social development, formulate the Catalog of Industries for Encouraging Foreign Investment, which sets out the specific industries, fields, and regions where foreign investors are encouraged and guided to invest.

The negative list currently in effect consists of the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) promulgated by the NDRC and the Ministry of Commerce on 6 September 2024 and effective on November 1, 2024, and the Catalog of Industries for Encouraged Foreign Investment (2025 Edition) jointly released by the NDRC and the Ministry of Commerce on October 26, 2022 and effective on February 1, 2026. These two catalogs set out the basic framework for foreign investment in the PRC, classifying foreign-invested businesses into three categories: "encouraged", "restricted", and "prohibited". Industries not listed in these three categories are generally classified as the fourth category, namely industries in which foreign investment is "permitted", unless specifically restricted by other PRC laws and regulations. According to the Catalog of Industries for Encouraging Foreign Investment (2025 Edition), the advanced packaging and testing involved in our business belongs to the encouraged industries for foreign investment.

According to the Measures on Reporting of Foreign Investment Information issued by the Ministry of Commerce and the State Administration for Market Regulation on December 30, 2019 and effective on January 1, 2020, foreign investors or foreign-invested enterprises shall submit investment information in a timely manner, adhere to the principles of truthfulness, accuracy, and completeness, and shall not make false or misleading reports or have material omissions. Where a foreign-invested enterprise invests in the establishment of an enterprise within the territory of the PRC (including multi-level investment), after handling registration and filing with the market supervision department and submitting annual report information, the relevant information shall be pushed by the market supervision department to the competent commerce department.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental protection

Pursuant to the Environmental Protection Law of the People's Republic of China (the "**Environmental Protection Law**") promulgated by the SCNPC on December 26, 1989, as most recently amended on April 24, 2014 and effective on January 1, 2015, any entity that discharges or will discharge pollutants in its operations or other activities must adopt effective environmental protection measures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gasses, radioactive substances, noise, vibration, electromagnetic radiation and other harmful substances generated during such activities. The State implements a management system for pollutant discharge permits in accordance with the law.

Environmental impact assessment

According to the Environmental Impact Assessment Law of the People's Republic of China promulgated by the SCNPC on October 28, 2002, implemented on September 1, 2003, and amended and effective on December 29, 2018, and the Regulations on the Administration of Environmental Protection for Construction Projects promulgated and implemented by the State Council on November 29, 1998, and amended on July 16, 2017 and effective on October 1, 2017, the State implements an environmental impact assessment system for construction projects. Where a construction project may have a significant impact on the environment, an environmental impact report shall be prepared to provide a comprehensive evaluation of the potential environmental impacts; where a construction project may have a mild impact on the environment, an environmental impact report form shall be prepared to provide an analysis or a specific evaluation of the environmental impacts generated; and where the environmental impact of a construction project is minimal and an environmental impact assessment is not required, an environmental impact registration form shall be filled out. Construction projects for which an environmental impact assessment has not been conducted in accordance with the law shall not commence construction. Upon completion of a construction project for which an environmental impact report or an environmental impact report form has been prepared, the construction unit shall, in accordance with the standards and procedures prescribed by the competent department of ecology and environment under the State Council, conduct acceptance inspection of the environmental protection facilities constructed as supporting parts of the project and prepare an acceptance report. The ancillary environmental protection facilities of such projects shall only be put into production or use after they have passed the acceptance inspection; those that have not undergone acceptance inspection or have failed the acceptance inspection shall not be put into production or use. If an enterprise violates the aforementioned laws and regulations, the competent ecological environment department at or above the county level shall order it to suspend production or construction, impose a fine, and may order it to restore the original state.

Pollutant discharge permit

According to the Regulations on the Administration of Pollutant Discharge Permits issued by the State Council on January 24, 2021 and effective on March 1, 2021, enterprises, public institutions and other producers and operators subject to the administration of pollutant discharge permits shall discharge pollutants in accordance with the provisions of the Regulations on the Administration of Pollutant Discharge Permits; those that have not obtained a pollutant discharge permit shall not discharge pollutants. The competent departments of ecology and environment may impose administrative penalties, such as fines, orders for rectification, restrictions on production or suspension of production for rectification, and orders for cessation of business, on individuals or enterprises that violate the Environmental Protection Law.

LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China enacted by the SCNPC on May 12, 1994, most recently amended on December 27, 2025 and effective on March 1, 2026, the State allows the free import and export of goods and technologies, unless otherwise provided by laws or administrative regulations.

According to the Customs Law of the People's Republic of China as most recently amended and implemented by the SCNPC on April 29, 2021, the Customs of the People's Republic of China is the State's supervisory and administrative authority for entry and exit of the customs territory. The customs shall exercise its jurisdiction in various aspects in accordance with relevant laws and administrative regulations, including the supervision and control of inbound and outbound vehicles, goods, luggage, postal items, and other articles; the collection of customs duties and other taxes and fees; the prevention and suppression of smuggling; and the compilation of customs statistics and handling of other customs business.

In addition, according to the Provisions of the People's Republic of China on the Administration of Record-filing of Customs Declaration Entities, "customs declaration entities" refer to consignors or consignees of imported or exported goods and customs declaration enterprises that have been duly filed with the Customs. An enterprise applying for filing shall have obtained the status of a market entity. The record-filing of a customs declaration entity is valid on a long-term basis.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Employment

According to the Labor Law of the People's Republic of China promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018, the Labor Contract Law of the People's Republic of China promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and effective from July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the People's Republic of China promulgated by the State Council on September 18, 2008 and effective on the same date, an employer shall enter into a written labor contract to establish a labor relationship with an employee. Employers are prohibited from forcing employees to work overtime, and employers shall pay overtime wages to employees in accordance with national regulations. In addition, employee wages shall not be lower than the local minimum wage standards and must be paid to employees in a timely manner.

Social insurance and housing provident fund

The Social Insurance Law of the People's Republic of China (the "**Social Insurance Law**"), promulgated by the SCNPC on October 28, 2010 and most recently amended on December 29, 2018, has established social insurance systems including basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance, and elaborates on the legal obligations and liabilities of employers for failure to comply with relevant laws and regulations related to social insurance. According to the Social Insurance Law and the Interim Regulation on the Collection and Payment of Social Insurance Premiums promulgated by the State Council on January 22, 1999, most recently amended on March 24, 2019 and effective on the same date, enterprises shall handle social insurance registration with local social insurance agencies and withhold and pay relevant social insurance premiums for their employees. Where an employer fails to pay social insurance premiums, it may be ordered to make the payment or make up the deficiency within a prescribed time limit, and a late payment fee may be imposed; where payment is still not made within the prescribed time limit, a fine of not less than one time but not more than three times the amount of the arrears may be imposed.

According to the Regulations on the Administration of Housing Provident Fund promulgated by the State Council on April 3, 1999 and most recently amended on March 24, 2019, enterprises shall register with the designated management center and open bank accounts for the contribution of housing provident funds for employees. Units and employees shall also make timely and full contributions to the housing provident fund, and the contribution amount shall not be less than 5% of the average monthly salary of the employee in the previous year. Where an entity fails to pay or underpays within the prescribed time limit, the housing provident fund management center shall order it to make the payment within a specified time limit. If the entity fails to make the contribution within the time limit, an application may be made to the People's Court for compulsory enforcement. If a unit fails to undergo registration and open housing provident fund accounts for its employees, the housing provident fund management center shall order the unit to make the contribution within a prescribed time limit; if the unit fails to do so within the prescribed time limit, a fine of not less than RMB10,000 and not more than RMB50,000 shall be imposed.

Pursuant to the "Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases" deliberated and adopted by the Trial Committee of the Supreme People's Court on February 17, 2025 and implemented on September 1, 2025, where an employer and a worker agree, or a worker promises to an employer, that social insurance premiums need not be paid, the People's Court shall determine such agreement or promise to be invalid. Where an employer fails to pay social insurance premiums in accordance with the law, and an employee requests to terminate the labor contract and demands the employer to pay economic compensation pursuant to the provisions of Item (3) of Article 38 of the Labor Contract Law, the People's Court shall support such request in accordance with the law. Where the circumstances stipulated in the preceding paragraph exist and the employer, after making retroactive payments of social insurance premiums in accordance with the law, requests the employee to return the social insurance premium compensation already paid, the People's Court shall support such request in accordance with the law.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the People's Republic of China promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and effective from June 1, 2021, and the Implementing Rules of the Patent Law of the People's Republic of China promulgated by the State Council on December 21, 1992, last amended on December 11, 2023 and effective from January 20, 2024, patents are divided into three categories, namely inventions, utility models and designs. The term of an invention patent shall be 20 years, the term of a utility model patent shall be 10 years, and the term of a design patent shall be 15 years, all commencing from the day following the date of application.

Trademarks

The Trademark Law of the People's Republic of China, promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019, and effective from November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China, promulgated by the State Council on August 3, 2002, last amended on April 29, 2014, and effective from May 1, 2014, provide for the application, examination and approval, renewal, modification, assignment, use, and invalidation of trademark registrations, and protect the exclusive right to use a trademark enjoyed by trademark registrants. Pursuant to the aforementioned laws and regulations, the period of validity of a registered trademark shall be ten years, calculated from the date of approval of registration. Where a registered trademark has expired and continued use is required, renewal procedures shall be handled in accordance with the regulations within 12 months prior to the expiry. If the procedures cannot be completed within this period, a grace period of six months may be granted. Each renewal of registration shall be valid for a term of ten years, commencing from the day immediately following the date of expiration of the preceding term of validity of the said trademark. A trademark registrant may, by entering into a trademark licensing contract, permit others to use its registered trademark.

Copyright

According to the Copyright Law of the People's Republic of China promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and effective on June 1, 2021, and the Regulation on the Implementation of the Copyright Law of the People's Republic of China promulgated by the State Council on August 2, 2002 and last amended on March 1, 2013, works of Chinese citizens, legal persons or unincorporated organizations, being intellectual achievements in the fields of literature, art and science which possess originality and can be reproduced in a certain form, shall enjoy copyright in accordance with the Copyright Law, whether published or not.

Copyright includes a series of personal rights and property rights, such as the right of publication, the right of authorship, the right of revision, the right to protect the integrity of the work, and the right of reproduction.

Pursuant to the Regulations on the Protection of Computer Software promulgated by the State Council on December 20, 2001, most recently amended on January 30, 2013 and effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright promulgated by the National Copyright Administration on February 20, 2002 and most recently amended on June 18, 2004, the National Copyright Administration is in charge of the administration of software copyright registration nationwide and has designated the Copyright Protection Center of China as the software registration authority, which shall grant registration certificates to computer software copyright applicants in accordance with the aforementioned regulations and measures.

Domain names

According to the Administrative Measures for Internet Domain Names promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017, those establishing domain name root servers and domain name root server operating organizations, domain name registration management organizations, and domain name registration service organizations within the territory of the PRC shall obtain a permit from the MIIT or the communications administration department of the province, autonomous region, or municipality directly under the Central Government. Domain name registration services follow the "first-come, first-served" principle. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names for Internet Information Services issued by the MIIT on November 27, 2017 and effective on January 1, 2018, sets out provisions on the obligations of subjects such as internet information service providers regarding anti-terrorism and the maintenance of network security.

LAWS AND REGULATIONS RELATING TO TAXATION

Corporate income tax

According to the Enterprise Income Tax Law and its implementation regulations, enterprises are classified into resident enterprises and non-resident enterprises. A Resident Enterprise refers to an enterprise established within the territory of China in accordance with the law, or an enterprise established in accordance with the laws of a foreign country (region) but whose de facto management body is located within the territory of China. A non-resident enterprise refers to an enterprise established under the laws of a foreign country (region) with its de facto management body located outside Mainland China, but which has established institutions or premises in Mainland China, or which has not established any institutions or premises in Mainland China but has income derived from Mainland China. A uniform enterprise income tax rate of 25% is applicable to all resident enterprises and non-resident enterprises with establishments or premises set up in the PRC on their income derived from sources within the PRC, or income occurring outside the PRC but which is effectively connected with such establishments or premises. Non-resident enterprises that have not established institutions or premises within the territory of China, or have established institutions or premises but the income obtained by such enterprises has no actual connection with the established institutions or premises, shall pay enterprise income tax at a rate of 10% on their income derived from within the territory of China.

Value-added tax

According to the Value-Added Tax Law of the PRC,promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, and the Regulation on the Implementation of the Value-Added Tax Law of the PRC, promulgated by the State Council on December 25, 2025 and came into effect on January 1, 2026, entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets, or real estate within the territory of the PRC, or in the importation of goods, shall be considered VAT taxpayers and shall pay the value-added tax. The VAT rates generally applicable are simplified as 13%, 9%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

Tax incentive policies for the integrated circuit industry

According to the Announcement on Enterprise Income Tax Policies for Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry jointly promulgated by the Ministry of Finance, the State Taxation Administration, the NDRC, and the MIIT on December 11, 2020, for state-encouraged integrated circuit design, equipment, materials, packaging, testing, and software enterprises, commencing from the first profit-making year, a full exemption from corporate income tax shall apply for the first and second years, followed by a one-half reduction of the statutory tax rate of 25% for the third, fourth, and fifth years.

REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration promulgated by the State Council on January 29, 1996, and most recently amended and effective on August 5, 2008, foreign exchange administration matters in China can be divided into current account items (such as trade-related receipts and payments, and payment of interest and dividends) and capital account items (such as direct equity investment, loans and divestment). Funds under current accounts or capital accounts may only be remitted in or out through relevant procedures of foreign exchange transactions (such as settlement or purchase of foreign exchange) upon obtaining the necessary permits and undergoing reasonable review.

On May 11, 2013, the State Administration of Foreign Exchange promulgated the Provisions on Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors, which became effective on May 13, 2013, were amended on October 10, 2018, and were partially abolished on December 30, 2019. Pursuant to the said regulation, the State Administration of Foreign Exchange and its local branches shall manage direct investment within the territory of China by foreign investors through registration, and banks shall process foreign exchange business for direct investment within the territory of China based on the registration information provided by the State Administration of Foreign Exchange or its branches.

On December 4, 2023, the State Administration of Foreign Exchange promulgated and implemented the Circular on Further Deepening Reform to Promote the Facilitation of Cross-border Trade and Investment, which stipulates that domestic equity transferors (including institutions and individuals) receiving equity transfer consideration paid in foreign currency by domestic entities, as well as foreign exchange funds raised by domestic enterprises through overseas listings, may be directly remitted into capital account settlement accounts. Funds in the capital account settlement account may be settled and used at the discretion of the account holder.

According to the Notice on Issues Concerning the Management of Funds for Overseas Listing of Domestic Enterprises jointly promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and implemented from April 1, 2026, the fund management matters related to the direct overseas issuance and listing or the issuance of overseas depositary receipts by joint stock limited companies registered in the PRC after filing with the China Securities Regulatory Commission are subject to the said notice. A domestic enterprise seeking overseas listing shall, within 30 business days from the first trading day of the overseas listing or after the completion of the over-allotment, apply for overseas listing registration with a bank within the province/municipality with separate planning status where it is registered. Where a domestic shareholder reduces its shareholding in the overseas listed shares of a domestic enterprise after its overseas listing, it shall apply for registration of the reduction at a bank in the place where the domestic shareholder is located within 30 business days before or after such reduction. Where a domestic shareholder increases its holding of overseas shares in a domestic enterprise, it shall, within 20 business days prior to the proposed increase in holding, apply to the local branch of the State Administration of Foreign Exchange for registration of the increase in holding. Funds obtained by a domestic shareholder from the reduction of shareholding in or transfer of overseas shares of a domestic enterprise shall, in principle, be repatriated to the PRC in a timely manner.

REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

On July 1, 2015, the SCNPC issued the National Security Law of the People's Republic of China (the "**National Security Law**"), which became effective on the same date. The National Security Law provides that the state shall establish a network and information security guarantee system, improve the capacity of network and information security protection, and achieve the security and controllability of core technologies of network and information, critical infrastructure, and information systems and data in important fields.

Pursuant to the Cybersecurity Law of the People's Republic of China (the "**Cybersecurity Law**"), which was promulgated by the SCNPC on November 7, 2016, most recently amended on October 28, 2025, and became effective on January 1, 2026, network operators, including network service providers, shall adopt technical measures and other necessary measures in accordance with the mandatory requirements of relevant laws, regulations, national standards, and industry standards to ensure the secure and stable operation of networks. Network service providers shall also ensure the integrity, confidentiality, and availability of network data.

On June 10, 2021, the SCNPC issued the Data Security Law of the People's Republic of China (the "**Data Security Law**"), which came into effect on September 1, 2021. The Data Security Law stipulates data security requirements for entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the degree of importance of data in economic and social development, as well as the degree of harm caused to national security, public interests, or the legitimate rights and interests of individuals and organizations once such data is tampered with, destroyed, leaked, or illegally obtained or utilized. Appropriate levels of protection measures shall be adopted for each category of data. Violation of the Data Security Law may result in orders to cease illegal activities, warnings, fines, suspension of business for rectification, or revocation of business licenses or operating permits, and the personnel directly in charge and other directly responsible personnel may be subject to fines.

LAWS AND REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

Anti-unfair competition

According to the Anti-Unfair Competition Law of the People's Republic of China (the "**Anti-Unfair Competition Law**") promulgated by the SCNPC on September 2, 1993, most recently amended on June 27, 2025, and effective on October 15, 2025, acts of unfair competition refer to acts by business operators in their production and business activities that violate the provisions of the law, disrupt the order of market competition, and damage the legitimate rights and interests of other business operators or consumers. In their production and business activities, business operators shall follow the principles of voluntariness, equality, fairness, and good faith, comply with laws and business ethics, and participate in market competition fairly.

According to the Anti-Monopoly Law of the People's Republic of China (the "**Anti-Monopoly Law**") promulgated by the SCNPC on August 30, 2007, as most recently amended on June 24, 2022 and effective from August 1, 2022, monopolistic conduct includes any monopoly agreements entered into by business operators, abuse of dominant market position by business operators, and concentrations of business operators that have or may have the effect of excluding or restricting competition. Specifically, competing undertakings shall not reach monopoly agreements that have the effect of excluding or restricting competition, such as boycotting transactions, fixing or changing the price of commodities, restricting the production or sales volume of commodities, or partitioning the sales market or the raw material procurement market, unless the agreement satisfies the exemption conditions prescribed in the Anti-Monopoly Law, such as improving technology, enhancing the efficiency and competitiveness of small and medium-sized undertakings, or safeguarding legitimate interests in foreign trade and foreign economic cooperation.

REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "**Trial Measures**"), which came into effect on March 31, 2023. The Trial Measures reform the regulatory system for the overseas issuance and listing of securities by domestic companies into a filing-based system. According to the Trial Measures, a domestic company is prohibited from offering and listing its securities in an overseas market under any of the following circumstances: (i) such offering and listing for financing is explicitly prohibited by laws, administrative regulations or relevant state provisions; (ii) the relevant competent departments of the State Council have determined in accordance with the law that the overseas offering and listing may endanger national security; (iii) the domestic company or its controlling shareholder or actual controller has committed any criminal offense of corruption, bribery, embezzlement, misappropriation of property or disruption of the order of the socialist market economy within the last three years; (iv) the domestic company is under investigation in accordance with the law for suspected crimes or major violations of laws and regulations, and no clear conclusion has been reached; or (v) there is a major ownership dispute over the equity interests held by the controlling shareholder or by the shareholders controlled by the controlling shareholder or actual controller.

Where an issuer makes an overseas initial public offering or listing, it shall file with the China Securities Regulatory Commission within 3 business days after the submission of the application documents for the offering and listing abroad. The Trial Measures also provide that, upon the occurrence of any of the following material events after an issuer has completed an overseas offering and listing, the issuer shall report the specific circumstances to the CSRC: (i) change of control; (ii) being subject to investigations, penalties, or other measures by overseas securities regulatory authorities or relevant competent authorities; (iii) conversion of listing status or listing board; and (iv) voluntary or mandatory delisting. Where a material change occurs in the principal business activities of an issuer after its overseas offering and listing, such that it no longer falls within the scope of filing, the issuer shall, within 3 business days from the date of occurrence of the relevant change, submit a special report and a legal opinion issued by a domestic law firm to the CSRC to explain the relevant circumstances.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises, domestic enterprises shall establish confidentiality and archives administration systems when issuing and listing securities in overseas markets.