OVERVIEW OF PRC LAWS AND REGULATIONS

This section provides an overview of the principal PRC laws, regulations and rules relating to our business.

Regulations and Policies on the Printed Circuit Board Industry

The Catalogue of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》), promulgated by the National Development and Reform Commission (the "**NDRC**") and effective on 25 January 2017, sets out 174 sub-directions under 40 key areas across 8 industries within 5 major sectors, covering nearly 4,000 specific products and services, including: IC chip packaging and high-density interconnect printed circuit boards.

The Printed Circuit Board Industry Standard Conditions (《印製電路板行業規範條件》) and the Interim Administration Measures for the Announcement of Standards for Printed Circuit Boards Industry (《印製電路板行業規範公告管理暫行辦法》), which were promulgated by the Ministry of Industry and Information Technology on 28 December 2018 and became effective on 1 February 2019, establish a quantitative standard system covering multiple dimensions, including industry layout and project construction, production scale and process technology, quality management, intelligent manufacturing, green manufacturing, production safety, and social responsibility.

The Several Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), which was promulgated by the State Council on 27 July 2020 and became effective on the same date, sets forth a series of supportive policies in respect of fiscal and taxation, investment and financing, research and development, import and export, talent, intellectual property, market application and international cooperation, with a view to further optimising the development environment for the integrated circuit industry and software industry, deepening international cooperation in the industry, and enhancing the innovation capability and development quality of the industry.

The Outline of the 14th Five-Year Plan (2021–2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), promulgated by the National People's Congress (the "**NPC**") on 12 March 2021 and effective on the same date, provides that, in accordance with the strategic arrangements for building a modern socialist country in all respects, the long-range objectives through 2035 and the main goals for economic and social development during the 14th Five-Year Plan period include targeting frontier fields such as integrated circuits and implementing a number of forward-looking and strategic national major science and technology projects; and proposes that the state shall focus on nurturing advanced manufacturing clusters and promoting the innovative development of the integrated circuit industry and other industries.

The Catalogue for Guidance of Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》), which was promulgated by the NDRC on 27 December 2023 and came into effect on 1 February 2024, classifies the manufacturing of new-type electronic components as an encouraged industry, including high-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, rigid-flex printed circuit boards and packaging substrates, which are technologies, equipment and products that play a significant role in promoting economic and social development. The Catalogue sets forth the need to accelerate the establishment of an intelligent, green and integrated modern industrial system that meets the requirements of completeness, advancement and security.

Regulations on Companies and Foreign Investment

The Company Law of the People's Republic of China (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on 29 December 1993, last revised on 29 December 2023 and took effect on 1 July 2024, applies to limited liability companies and joint stock companies established, operated and managed within the territory of the People's Republic of China. The revisions primarily relate to improving the company establishment and exit system, optimising the structure of corporate organisations, refining the company capital system, strengthening the responsibilities of controlling shareholders and management personnel, and enhancing corporate social responsibility.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the NPC on 15 March 2019 and effective on 1 January 2020, specifies the basic framework for foreign investment access, promotion, protection and management, and implements the management system of pre-establishment national treatment plus a negative list to foreign investment. To ensure the implementation of the Foreign Investment Law, the Regulations for the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) was promulgated by the State Council on 26 December 2019 and became effective on 1 January 2020, further specifying that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment management, continuously optimises the foreign investment environment, and promotes a higher level of opening up. The State will adjust the negative list from time to time in accordance with the needs of further opening up and economic and social development.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), promulgated by the NDRC and the Ministry of Commerce on 6 September 2024 and effective on 1 November 2024, sets out certain industries where foreign investment is prohibited or restricted. The Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), promulgated by the NDRC and the Ministry of Commerce on 15 December 2025 and effective on 1 February 2026, categorises integrated circuit packaging, high-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, and rigid-flex printed circuit boards as national encouraged industries for foreign investment. Accordingly, the Company's business is not within the industries prohibited or restricted for foreign investment under the Negative List, and falls within the encouraged industries for foreign investment.

The Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), promulgated by the Ministry of Commerce and the State Administration for Market Regulation on 30 December 2019 and effective on 1 January 2020, regulates that when a foreign investor conducts investment activities directly or indirectly within the territory of China, the foreign investor or the foreign-invested enterprise shall report the investment information to the competent commerce department in accordance with such Measures. When submitting an annual report, a foreign-invested enterprise shall report information including basic enterprise information, information on its investors and ultimate controllers, business operations and assets and liabilities, and where special administrative measures for the access of foreign investment apply, information on relevant industry permits obtained.

Regulations on Foreign Exchange

The Foreign Exchange Administration Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January 1996, newly amended on 5 August 2008 and became effective on the same date, provides that the foreign exchange authority of the State Council shall legally hold, manage and operate the state foreign exchange reserves. Foreign exchange payments of the current account items shall, in accordance with the administrative rules of the foreign exchange authority of the State Council on payment and purchase of foreign exchange, be made in foreign exchange owned by the payer or by purchasing foreign exchange from financial institutions authorised to engage in settlement and sale of foreign exchange, against valid supporting documents. Domestic entities and domestic individuals making direct investment overseas or issuing or trading in overseas marketable securities or derivative products shall register with the foreign exchange authority of the State Council in accordance with its rules. Where approval or filing with the relevant competent authorities is required under applicable national regulations, such approval or filing procedures shall be completed prior to the foreign exchange registration.

The State Administration of Foreign Exchange (the "**SAFE**") promulgated the Notice of the SAFE on Reforming and Standardising the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) on 9 June 2016 and implemented on the same date, which sets forth clear provisions on the nationwide reform of the management of foreign exchange settlement of funds from corporate foreign debt, and the standardisation of discretionary settlement and payment management of foreign exchange receipts under the capital account. The Notice was subsequently partially amended by the Notice by the SAFE of Further Deepening Reform and Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (the "**Investment Facilitation Notice**"), promulgated by SAFE on 4 December 2023 and implemented on the same date, which provides that the use of foreign exchange receipts under capital account of domestic institutions and the RMB funds derived from the settlement thereof shall not, unless otherwise expressly provided, be directly or indirectly used for securities investment or other investment and wealth management products (other than wealth management products and structured deposits with a risk rating not higher than Level 2), nor shall they be used for the purchase of residential properties for non-self-use purposes (except for enterprises engaged in real estate development and operation or real estate leasing operation). The Investment Facilitation Notice comprises nine policies and measures, including four measures relating to current account items, namely optimising the foreign exchange administration of market procurement trade, relaxing the netting settlement of processing trade receipts and payments, improving the collection and payment of cross-border trade funds under entrustment arrangements, and facilitating the settlement of foreign exchange funds for operational leasing transactions by domestic institutions; and five measures relating to capital account items, namely promoting the pilot reform policy for the facilitation of cross-border financing nationwide, relaxing the limit on the scale of upfront expenses for overseas direct investment ("**ODI**"), facilitating the payment and use of equity transfer proceeds under onshore reinvestment by foreign direct investment ("**FDI**") and **[REDACTED]** raised from **[REDACTED]**, refining the negative list management of the use of capital account receipts, and eliminating the approval requirement for opening foreign debt accounts outside the place of registration.

The Notice by the State Administration of Foreign Exchange Regarding Optimizing Foreign Exchange Administration to Support Foreign Business Development, promulgated by SAFE on 10 April 2020 and effective on the same date, provides that, on the condition that the use of funds is genuine and compliant, and conforms to the current administrative rules on the use of capital account proceeds, eligible enterprises are permitted to use capital account proceeds, including capital contributions, foreign debts and **[REDACTED]**, for onshore payments without the need to provide supporting documents evidencing the authenticity of each transaction to the bank on a transaction-by-transaction basis prior to payment.

The Notice by the People's Bank of China and the State Administration of Foreign Exchange of Issues Concerning the Administration of Funds Related to **[REDACTED]** of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業**[REDACTED]**資金管理有關問題的通知》), promulgated by the People's Bank of China and SAFE on 24 December 2025 and implemented on 1 April 2026, sets forth the following key provisions: (i) unifying the administration of RMB and foreign currency funds, specifying that **[REDACTED]** from **[REDACTED]**, and incomes from share reductions or transfers, may be repatriated in foreign currency or RMB, and dividends payable to domestic shareholders of **[REDACTED]** entities participating in the H-share "full circulation" scheme shall be distributed in RMB within the territory; (ii) facilitating the use of **[REDACTED]** in the domestic market and the management of exchange rate risks by enterprises, specifying that **[REDACTED]** from **[REDACTED]** repatriated in foreign currency may be voluntarily settled and used, and **[REDACTED]** may independently select exchange rate risk management methods within the territory; (iii) simplifying administrative procedures, relaxing filing deadlines, supporting banks as the primary channel for domestic enterprises to directly complete the registration of **[REDACTED]**, and appropriately relaxing the filing deadlines for **[REDACTED]**, additional issuances and share reductions; and (iv) further regulating the administration of **[REDACTED]**, specifying that **[REDACTED]** from **[REDACTED]** and **[REDACTED]** from share reductions or transfers shall in principle be repatriated to the domestic market, and if shareholders have remitted funds overseas for share purchases, any surplus funds or amounts where the transaction is not completed shall be promptly repatriated to the domestic market, while enterprises that meet certain conditions are permitted to retain the **[REDACTED]** overseas for use.

Regulations on Customs Clearance

The Customs Law of the People's Republic of China (《中華人民共和國海關法》), which was promulgated by the SCNPC on 22 January 1987, last amended on 29 April 2021 and implemented on the same date, specifies that the Customs of the People's Republic of China is the state authority responsible for the supervision and control over the entry and exit of the territory, supervising means of transport, goods, luggage, postal items and other articles entering or leaving the territory, collecting customs duties and other taxes and fees, combating smuggling, compiling customs statistics, and handling other customs matters. Means of transport, goods and articles entering or leaving the territory must pass through locations where Customs is established. Unless otherwise stipulated, the consignor or consignee of import or export goods may complete customs declaration and duty payment procedures on their own behalf, or may entrust a customs broker to complete such procedures, and shall file the required registration with the Customs in accordance with the law.

The Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs on 19 November 2021 and implemented on 1 January 2022, sets forth that consignees or consignors of import or export goods or customs brokers applying for registration shall obtain the qualification as a market entity; among them, consignees or consignors of import or export goods applying for filing shall also obtain the record-filing for foreign trade operators.

The Announcement on Fully Including the Recordation of Customs Declaration Entities in the Reform of "Integrating Certificates into One" (《關於報關單位備案全面納入"多證合一"改革的公告》), promulgated by the General Administration of Customs and the State Administration for Market Regulation on 20 December 2021 and implemented on 1 January 2022, stipulates that where an applicant, when applying for market entity registration with the market regulation department, is required to complete customs filing entity registration simultaneously, it shall tick the relevant box for customs filing entity registration and fill in the relevant additional filing information. The market regulation department shall complete the registration in accordance with the "Integrating Certificates into One" process, and complete data sharing with the General Administration of Customs at the national level of the State Administration for Market Regulation. The applicant concerned shall no longer be required to submit a separate filing application to the Customs.

The Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), promulgated by the SCNPC on 12 May 1994, last revised on 27 December 2025 and implemented on 1 March 2026, sets forth provisions on the State's proactive alignment with international high-standard economic and trade rules and active participation in the formulation of international economic and trade rules, and elevates the reform measures, including the negative list management system for cross-border services trade, the support and promotion of the development of new forms of business and new models of foreign trade, the support and encouragement of the development of digital trade, and the acceleration of the establishment of a green trade system, into legal provisions.

The Law of the People's Republic of China on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》), promulgated by the SCNPC on 21 February 1989, last amended on 29 April 2021 and effective on the same date, and the Regulation on the Implementation of the Law of the People's Republic of China on the Inspection of Imported and Exported Commodities (《中華人民共和國進出口商品檢驗法實施條例》), promulgated by the State Council on 29 March 2022 and effective on 1 May 2022, provide that the State Council establishes the import and export commodity inspection department, which is responsible for the import and export commodity inspection work nationwide. Import and export commodities included in the catalogue are subject to inspection by the commodity inspection organs. Those that have not been inspected shall not be sold or used; those that have not been inspected and found to be qualified shall not be exported. Other inspection agencies may, upon entrustment by parties to foreign trade or foreign inspection agencies, carry out inspection and appraisal business for import and export commodities.

The Regulations of the People's Republic of China on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), which was promulgated by the State Council on 10 December 2001, last revised on 10 March 2024 and implemented on 1 May 2024, specify that any trades involving the import of goods into the territory of the People's Republic of China or the export of goods from the territory of the People's Republic of China must comply with such Regulations. Goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota administration system; goods whose import or export is free shall not be subject to restrictions. Importers and exporters shall complete customs declaration and clearance procedures with the Customs upon the relevant import and export licences or import and export quota licences.

Regulations on Product Quality

The Civil Code of the People's Republic of China (the "**Civil Code**"), promulgated by the NPC on 28 May 2020 and effective on 1 January 2021, provides that where a product defect causes damage to another person, the infringed party may claim compensation from the manufacturer of the product, or may claim compensation from the seller of the product. Where a product defect endangers the personal or property safety of another person, the infringed party is entitled to request the manufacturer or seller to bear tort liability by ceasing the infringement, removing the obstacle and eliminating the danger.

The Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), promulgated by the SCNPC on 22 February 1993, last amended on 29 December 2018 and implemented on the same date, sets forth that product quality shall be inspected and found to be qualified, and unqualified products shall not be passed off as qualified products. A producer shall be responsible for the quality of the products it produces. Product quality shall meet the following requirements: it shall be free from unreasonable risks endangering personal or property safety; where there are national or industry standards for safeguarding human health and personal and property safety, the product shall comply with such standards; it shall possess the performance for which the product is intended, except where the product's performance defects have been explained; and it shall comply with the product standards indicated on the product or its packaging, and with the quality status indicated by product descriptions, physical samples or other means.

Regulations on Work Safety

The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), promulgated by the SCNPC on 29 June 2002, last amended on 10 June 2021 and implemented on 1 September 2021, sets forth that entities engaged in production and business operation within the territory of China shall comply with this Law and other relevant laws and regulations on work safety, strengthen work safety management, establish and improve a responsibility system for work safety covering all employees and work safety rules and regulations, increase investment in and guarantee of funds, materials, technology and personnel in work safety, improve work safety conditions, strengthen the standardisation and informatisation of work safety, establish a dual prevention mechanism for grading control of work safety risk and identification and control of hazard, improve the risk prevention and resolution mechanism, enhance the level of work safety, and ensure work safety.

The Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》), promulgated by the former State Administration of Work Safety on 14 December 2010, last amended on 2 April 2015 and implemented on 1 May 2015, provide that production and operation entities are the primary parties responsible for the construction of safety facilities in construction projects. The safety facilities of new construction, reconstruction or expansion projects must be designed, constructed and put into production and use simultaneously with the main project. A production and operation entity shall entrust a safety evaluation agency with appropriate qualifications to carry out a pre-evaluation of the safety of the construction project and prepare a pre-evaluation report. When preparing the preliminary design of a construction project, the production and operation entity shall entrust a design institute with appropriate qualifications to concurrently design the safety facilities of the construction project, prepare the design of the safety facilities, submit an application for review to the relevant work safety supervision and administration department, and apply for acceptance inspection of the safety facilities upon completion.

Regulations on Fire Safety

The Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), which was promulgated by the SCNPC on 29 April 1998, last amended on 29 April 2021 and became effective on the same date, sets forth that every unit and individual has the duty to maintain fire safety, protect firefighting facilities, prevent fires and report fire alarms. Every unit and every adult have the duty to participate in organised firefighting efforts. For a construction project that is required by the competent department of housing and urban-rural development under the State Council to undergo fire safety acceptance inspection, the construction unit shall apply to such competent department for fire safety acceptance inspection upon completion of the project. For other construction projects not specified in the preceding sentence, the construction unit shall file for record with the competent department of housing and urban-rural development after acceptance inspection, and such competent department shall conduct spot checks. A construction project that is legally required to undergo fire safety acceptance inspection shall be prohibited from being put into use if it has not undergone the fire safety acceptance inspection or has failed such inspection; other construction projects that fail the spot checks conducted legally shall cease use.

The Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development on 1 April 2020, as last amended on 21 August 2023 and effective on 30 October 2023, set forth that the construction unit shall bear the ultimate responsibility for the quality of fire safety design and construction of the construction project in accordance with the law. The design, construction, project supervision, technical service and other relevant units shall bear the primary responsibility for the quality of fire safety design and construction of the construction project in accordance with the law. The practitioners of the development, design, construction, project supervision, technical service and other relevant units shall bear corresponding individual responsibility for the quality of fire safety design and construction of the construction project in accordance with the law. The provisions further specify the responsibilities and obligations of the development unit, design unit, construction unit and project supervision unit in respect of fire safety design and construction quality.

Regulations on Environmental Protection

Basic Environmental Protection Laws

The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on 13 September 1979, last revised on 24 April 2014 and implemented on 1 January 2015, sets forth that environmental protection shall adhere to the principles of prioritising protection, focusing on prevention, comprehensive governance, public participation and accountability for damage, and that every unit and individual has the obligation to protect the environment. Enterprises shall give priority to the use of clean energy, adopt processes and equipment with higher resource utilisation rates and lower pollutant discharge volumes, as well as technologies for comprehensive waste utilisation and harmless treatment of pollutants, so as to reduce the generation of pollutants. Enterprises, public institutions and other business operators that discharge pollutants shall take measures to prevent and control environmental pollution and harm caused by production, construction or other activities, and shall pay pollutant discharge fees in accordance with the relevant provisions of the State.

Environmental Impact Assessment

The Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on 28 October 2002, as last amended on 29 December 2018 and effective on the same date, specifies that the State implements an environmental impact assessment system for construction projects, and adopts a classified management approach for the environmental impact assessment of construction projects based on the extent of their environmental impact. The construction unit shall, in accordance with the relevant provisions, organise the preparation of an environmental impact report, an environmental impact statement form, or complete an environmental impact registration form.

The Regulations on the Administration of Regulations on the Administration of Construction Project Environmental Protection, promulgated by the State Council on 29 November 1998, as last revised on 16 July 2017 and implemented on 1 October 2017, set forth that the environmental protection facilities required for a construction project must be designed, constructed and put into operation simultaneously with the main project. For a construction project that generates pollution, the national and local standards for pollutant discharge must be complied with; within a region where total discharge volume control of key pollutants is implemented, the requirements for total discharge volume control of key pollutants must also be met. For a construction project for which an environmental impact report or environmental impact statement form is prepared, the supporting environmental protection facilities shall only be put into production or use upon passing the acceptance inspection; if no acceptance inspection has been conducted or the inspection has been failed, the project shall not be put into production or use.

The Interim Measures for Environmental Protection Inspection and Acceptance upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated by the former Ministry of Environmental Protection on 20 November 2017 and implemented on the same date, provide that the construction unit is the primary party responsible for the environmental protection inspection and acceptance upon completion of the construction project. The construction unit shall, in accordance with the procedures and standards prescribed in such Measures, organise the inspection and acceptance of the supporting environmental protection facilities, prepare an inspection report, disclose relevant information, accept public supervision, and ensure that the supporting environmental protection facilities required for the construction project are put into operation or use simultaneously with the main project. The construction unit shall be responsible for the authenticity, accuracy and completeness of the inspection and acceptance contents, conclusions and the information disclosed, and shall not engage in any fraudulent conduct during the process. The supporting environmental protection facilities of a construction project shall only be put into production or use upon passing the inspection and acceptance; if the project has not been inspected and accepted, or has failed such inspection and acceptance, it shall not be put into production or use.

Atmospheric Pollution Prevention and Control

The Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), which was promulgated by the SCNPC on 5 September 1987, last amended on 26 October 2018 and implemented on the same date, stipulates that enterprises, public institutions and other business operators that construct projects which may have an impact on the atmospheric environment shall, in accordance with the law, conduct environmental impact assessments and disclose the environmental impact assessment documents; those that discharge pollutants into the atmosphere shall comply with the atmospheric pollutant discharge standards and adhere to control requirements for the total discharge volume of key atmospheric pollutants. Enterprises and public institutions that discharge industrial exhaust gases or the toxic and hazardous atmospheric pollutants listed in the catalogue in Article 78 of this Law, as well as other entities that are subject to pollutant discharge permit administration legally, shall obtain a pollutant discharge permit. In addition, enterprises, public institutions and other business operators that construct projects which may have an impact on the atmospheric environment shall conduct environmental impact assessments and disclose the environmental impact assessment documents legally.

Water Pollution Prevention and Control

The Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), which was promulgated by the SCNPC on 11 May 1984, last amended on 27 June 2017 and implemented on 1 January 2018, specifies that enterprises, public institutions and other business operators that discharge industrial wastewater, medical sewage, or other wastewater or sewage that is required by relevant provisions to obtain a pollutant discharge permit before discharge into water bodies directly or indirectly, shall obtain a pollutant discharge permit. Enterprises, public institutions and other business operators that discharge toxic and hazardous water pollutants listed in the catalogue prescribed by the relevant department of the State Council shall monitor the discharge outlets and the surrounding environment, assess environmental risks, identify and control potential environmental safety hazards, disclose information on toxic and hazardous water pollutants, and take effective measures to prevent environmental risks.

Solid Waste Pollution Prevention and Control

The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, which was promulgated by the SCNPC on 30 October 1995, last revised on 29 April 2020 and implemented on 1 September 2020, sets forth that any unit or individual that generates, collects, stores, transports, utilises or disposes of solid wastes shall take measures to prevent or reduce environmental pollution by solid wastes, and shall bear liability in accordance with the law for any environmental pollution caused thereby.

Pollutant Discharge Permit Management

The Regulation on the Administration of Permitting of Pollutant Discharge (《排污許可管理條例》), promulgated by the State Council on 24 January 2021 and effective on 1 March 2021, together with the Catalogue for the Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), promulgated by the Ministry of Ecology and Environment on 20 December 2019 and effective on the same date, set forth that enterprises, public institutions and other business operators subject to pollutant discharge permit management as required by law shall apply for and obtain a pollutant discharge permit in accordance with the relevant provisions; those that have not obtained a pollutant discharge permit shall not discharge pollutants. For pollutant discharging entities with relatively high levels of pollutant generation, discharge volume or environmental impact, a focused management system for pollutant discharge permits shall be implemented; for those with relatively low levels of pollutant generation, discharge volume or environmental impact, a simplified management system for pollutant discharge permits shall be implemented; and for those with very low levels of pollutant generation, discharge or environmental impact, a registration management system for pollutant discharge shall be implemented.

The Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》), promulgated by the Ministry of Ecology and Environment on 1 April 2024 and effective on 1 July 2024, set forth that, based on pollutant generation volume, pollutant discharge volume, the extent of environmental impact and other factors, enterprises, public institutions and other business operators shall be subject to focused management system, simplified management system, or registration management system for pollutant discharge permit. The competent ecology and environment department shall implement comprehensive permitting management in respect of the discharge of atmospheric pollutants, water pollutants, industrial solid wastes, industrial noise and other pollutants by pollutant discharging entities.

The Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》), promulgated by the State Council on 2 October 2013 and effective on 1 January 2014, together with the Administrative Measures for the Licensing of Discharge of Urban Sewage into Drainage Network (《城鎮污水排入排水管網許可管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on 22 January 2015, as last amended on 1 December 2022 and effective on 1 February 2023, set forth that enterprises, public institutions and individual industrial and commercial households engaged in industrial, construction, catering, medical or other activities shall, prior to discharging sewage into urban drainage facilities, apply to the competent urban drainage and sewage treatment department for a permit for discharging sewage into urban drainage networks (a "**Drainage Permit**"). Any party that discharges sewage into urban drainage facilities without obtaining a Drainage Permit shall be ordered by the relevant competent urban drainage department to cease the illegal act, take remedial measures within a prescribed time limit, make up a Drainage Permit, and may be subject to a fine of not more than RMB500,000.

Regulations on Clean Production

The Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》), which was promulgated by the SCNPC on 29 June 2002, last revised on 29 February 2012 and took into effect on 1 July 2012, stipulates that new construction, reconstruction and expansion projects shall undergo environmental impact assessment, conduct analysis and demonstration of raw material usage, resource consumption, comprehensive resource utilisation, and pollutant generation and disposal, and give priority to the adoption of clean production technologies, processes and equipment that achieve high resource utilisation rates and low pollutant generation volumes.

Regulations on Construction Projects

Planning Permit for Construction Projects

The Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), promulgated by the SCNPC on 28 October 2007, as last amended on 23 April 2019 and effective on the same date, sets forth that for construction projects carried out within an urban or town planning area, the relevant construction unit shall apply to the competent department responsible for urban-rural planning for a construction project planning permit.

Commencement Permit for Construction Projects

The Construction Law of the People's Republic of China (《中華人民共和國建築法》), promulgated by the SCNPC on 1 November 1997, newly amended on 23 April 2019 and implemented on the same date, sets forth that prior to the commencement of a construction project, the construction unit shall, in accordance with the relevant national provisions, apply to the construction administrative department of the people's government at or above the county level where the project is located for a construction permit for the construction project; provided that small-scale projects below the threshold determined by the construction administrative department under the State Council are exempted. For a construction project for which a construction report has been approved in accordance with the authority and procedures prescribed by the State Council, no construction permit is required. The construction unit shall commence the construction project within three months from the date of obtaining the construction permit. If the commencement cannot be made on schedule for justifiable reasons, an application for extension shall be submitted to the permit-issuing authority; no more than two extensions shall be granted, each extension not exceeding three months. If neither commencement is made nor an extension is applied for, or if the extended period is exceeded, the construction permit shall become void automatically.

The Measures for the Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on 25 June 2014, as last revised on 30 March 2021 and effective on the same date, set forth that for the construction, decoration and renovation of various types of housing and their ancillary facilities, installation of related wiring, pipelines and equipment, as well as the construction of urban municipal infrastructure projects within the territory of the People's Republic of China, the construction unit shall, prior to commencement, apply for a construction permit from the competent department of housing and urban-rural development of the local people's government at or above the county level where the project is located, in accordance with the provisions of such Measures. For a construction project with a total investment of less than RMB300,000 or a floor area of less than 300 square metres, an application for a construction permit may be exempted. The competent department of housing and urban-rural development of the people's government of a province, autonomous region or municipality directly under the central government may adjust the threshold according to local circumstances and report such adjustment to the Ministry of Housing and Urban-Rural Development under the State Council for record. For a construction project for which a construction report has been approved in accordance with the authority and procedures prescribed by the State Council, no construction permit is required.

Completion Check and Acceptance

The Administrative Measures for the Filing of As-built Inspection of Housing, Building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on 19 October 2009 and effective on the same date, together with the Provisions on As-built Inspection of Housing, Building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收規定》), promulgated on 2 December 2013 and effective on the same date, set forth that the as-built inspection of a project shall be organised and implemented by the construction unit. Within 15 days from the date on which the project passes the inspection, the construction unit shall, in accordance with the relevant provisions, file for record with the construction administrative department of the local people's government at or above the county level where the project is located (the "**filing authority**"). Upon receipt of the final inspection filing documents submitted by the construction unit and verification that the documents are complete, the filing authority shall indicate the receipt of such documents on the as-built inspection filing form.

Regulations on Land and Real Estate Registration

The Civil Code provides that the creation, modification, transfer or extinguishment of real estate rights shall become effective upon legal registration, and shall not become effective in the absence of such registration, unless otherwise provided by law. Real estate registration shall be handled by the registration authority in the place where the real estate is located.

The Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》), which was promulgated by the SCNPC on 25 June 1986, last amended on 26 August 2019 and implemented on 1 January 2020, stipulates that a construction unit that obtains the right to use State-owned land by transfer or other paid use methods shall use the land only after paying the land use right transfer fee and other land paid use fees and expenses in accordance with the standards and procedures prescribed by the State Council. A construction unit using State-owned land shall use the land in accordance with the terms of the paid use contract for the land use right transfer, or the provisions of the approval document for the allocation of the land use right. If it is truly necessary to change the approved construction use of such land, the consent of the competent natural resources department of the relevant people's government shall be obtained, and the matter shall be reported to the people's government that originally approved the land use for approval. Where the change of land use is within an urban planning area, the consent of the relevant urban planning administrative department shall be obtained prior to submitting the matter for approval.

The Interim Regulation on Real Estate Registration (《不動產登記暫行條例》), promulgated by the State Council on 24 November 2014, last revised on 10 March 2024 and implemented on 1 May 2024, and the Detailed Rules for the Implementation of the Interim Regulation on Real Estate Registration (《不動產登記暫行條例實施細則》), promulgated by the Ministry of Land and Resources (which was abolished in March 2018 and its functions assumed by the newly established Ministry of Natural

Resources) on 1 January 2016, last amended on 21 May 2024 and implemented on the same date, set forth that the State implements a unified real estate registration system, and that real estate registration shall follow the principles of strict management, continuity and stability, and convenience to the public.

The Interim Regulations of the People’s Republic of China Concerning the Assignment and Transfer of the Right to the Use of State-owned Land in the Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), promulgated by the State Council on 19 May 1990, as last revised on 29 November 2020 and effective on the same date, sets forth that the assignment of land use right refers to the act by which the State, in its capacity as landowner, assigns the land use right to a land user for a certain period of years, and the land user pays a transfer fee for the land use right to the State. An assignment contract shall be entered into for the transfer of land use right. The land user shall develop, utilise and manage the land in accordance with the provisions of the contract for assignment on the land use right and the requirements of urban planning. If the land user fails to develop and utilise the land in accordance with the term and conditions specified in the contract, the land administration department of the city or county people’s government shall order rectification and may, depending on the circumstances, impose a warning, a fine, or even take back the land use right without compensation. If the land user needs to change the land use purpose stipulated in the assignment contract, the consent of the transferor shall be obtained, and approval from the land administration department and the urban planning department shall be secured, following which a new assignment contract shall be entered into, the land use right transfer fee shall be adjusted, and registration shall be completed.

Regulations on House Leasing Management

The Civil Code provides that a lease contract is a contract whereby the lessor delivers the leased object to the lessee for use and proceeds, and the lessee pays rent. The contents of a lease contract generally include the name, quantity and use of the leased object, the lease term, the rent and its payment term and method, and the maintenance of the leased object. The lease term shall not exceed twenty years. If it exceeds twenty years, the excess portion shall be void.

The Urban Real Estate Administration Law of the People’s Republic of China (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on 5 July 1994, as last amended on 26 August 2019 and effective on 1 January 2020, sets forth that for a lease of a house, the lessor and lessee shall enter into a written lease contract specifying the lease term, the use of the leased premises, the rent, the responsibility for repairs and other terms, as well as their respective other rights and obligations, and shall register with the real estate administrative department for the record.

The Administrative Measures for Commodity Hose Leasing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and implemented on 1 February 2011, set forth that the lessor and lessee of a house shall enter into a lease contract in accordance with the law. The contents of a house lease contract shall generally include the names (or designations) and domiciles of the parties, the location and area of the house, the amount of rent and deposit, the method of payment, the purpose of the lease and the requirements for the use of the house. Within 30 days after the execution of the house lease contract, the lessor and lessee shall register the house lease with the competent construction (real estate) authority of the municipality directly under the central government, or of the city or county people’s government where the leased house is located.

Regulations on Employment and Social Insurance

Employment

The Labour Law of the People’s Republic of China (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994, last amended on 29 December 2018 and implemented on the same date, provides that a labour relationship shall be established by entering into a labour contract. A labour contract shall be entered into in writing and shall include the following terms: term of the labour contract; job description; labour protection and working conditions; remuneration; labour discipline;

conditions for termination of the labour contract; and liability for breach of the labour contract. Employers may not withhold or delay the payment of wages to their employees without justifiable reasons, and the wages paid shall not be lower than the local minimum wage standard.

The Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on 29 June 2007, last amended on 28 December 2012 and implemented on 1 July 2013, sets forth more specific provisions on the conclusion, performance, amendment, termination and expiry of labour contracts. The Regulations on the Implementation of the Labour 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》), promulgated by the State Council on 18 September 2008 and effective on the same date, further provide that a branch established by an employer as referred to in the Labour Contract Law may, if it has obtained a business licence or registration certificate legally, act as an employer to enter into labour contracts with employees; if it has not obtained a business licence or registration certificate legally, it may, upon entrustment by the employer, enter into labour contracts with employees. In addition, the wages of an employee during the probationary period shall not be less than 80% of the minimum wage for the same position in the employer's establishment, or less than 80% of the wage agreed in the labour contract, and in any case shall not be less than the minimum wage standard in the place where the employer is located.

Social Insurance

The Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on 28 October 2010, newly amended on 29 December 2018 and implemented on the same date, sets forth that employers shall, in accordance with the law, pay basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for their employees. The Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》), promulgated by the State Council on 22 January 1999, newly revised on 24 March 2019 and implemented on the same date, provides that an enterprise shall register for social insurance with the local social insurance agency and pay or remit on behalf of its employees the relevant social insurance contributions. If an employer fails to pay the social insurance contributions in full and on time, it shall be ordered to pay within a prescribed period, and a late payment penalty shall be imposed on a daily basis from the date the payment became overdue.

The Interpretation (II) of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labour Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on 31 July 2025 and effective on 1 September 2025, further provides that where an employer and an employee agree, or the employee undertakes to the employer, that social insurance contributions are not required, the people's court shall determine that such agreement or undertaking is null and void. Where the employer fails to pay social insurance contributions in accordance with the law, and the employee, pursuant to Article 38, item (3) of the Labour Contract Law, requests to terminate the labour contract and claims economic compensation from the employer, the people's court shall support such request in accordance with the law.

The Interim Measures for Participation in Social Insurance by Hong Kong, Macau and Taiwan Residents in the Mainland (《香港澳門臺灣居民在內地(大陸)參加社會保險暫行辦法》), promulgated by the Ministry of Human Resources and Social Security and the National Healthcare Security Administration on 29 November 2019 and effective on 1 January 2020, provide that Hong Kong, Macau and Chinese Taiwan residents who are lawfully employed or recruited by enterprises, public institutions, social organisations, individual economic organisations with employees and other employers legally registered or incorporated in the mainland (China) shall participate in basic pension insurance for employees, basic medical insurance for employees, work-related injury insurance, unemployment insurance and maternity insurance in accordance with the law, with contributions made by both the employer and the employees as prescribed. Hong Kong, Macau and Chinese Taiwan residents participating in social insurance shall be entitled to social insurance benefits in accordance with the law. Hong Kong, Macau and Chinese Taiwan residents who have already participated in local social insurance in Hong Kong, Macau or Chinese Taiwan and continue to maintain their social insurance relationship there may, by presenting a certificate issued by the relevant authorised institution, be exempted from participating in basic pension insurance and unemployment insurance in the mainland (China).

Housing Provident Fund

The Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on 3 April 1999, as last revised on 24 March 2019 and effective on the same date (the "**Management Regulations**"), set forth that an employer shall register for housing provident fund contributions with the housing provident fund management centre, and shall open housing provident fund accounts for its employees. The employer shall make housing provident fund contributions on time and in full, and shall not delay or underpay such contributions. If an employer delays or underpays housing provident fund contributions, the housing provident fund management centre shall order the employer to make up the contributions within a prescribed period; if the contributions remained unpaid after the expiry of such period, the compulsory enforcement by the people's court may be applied. If an employer fails to register for housing provident fund contributions or fails to open housing provident fund accounts for its employees, the housing provident fund management centre shall order the employer to complete the registration and account opening within a prescribed period; if the employer fails to do so upon the expiry of such period, a fine of not less than RMB10,000 but not more than RMB50,000 shall be imposed.

The Opinions on Issues Concerning the Enjoyment of Housing Provident Fund Treatment by Hong Kong, Macau and Taiwan Compatriots Employed in the Mainland (China) (《關於在內地(大陸)就業的港澳臺同胞享有住房公積金待遇有關問題的意見》), jointly issued by the Ministry of Housing and Urban-Rural Development, the Ministry of Finance, the People's Bank of China, the Hong Kong and Macau Affairs Office of the State Council and the Taiwan Affairs Office of the State Council on 28 November 2017 and effective on the same date, provide that Hong Kong, Macau and Chinese Taiwan compatriots employed in the mainland (China) are eligible to make housing provident fund contributions in accordance with the Management Regulations and relevant policies, with the contribution base, contribution ratio and application procedures subject to the same rules applicable to mainland employees making contributions. Hong Kong, Macau and Chinese Taiwan compatriots who have made housing provident fund contributions are entitled to the same rights as mainland employees making contributions, including the right to withdraw their individual housing provident fund and to apply for individual housing provident fund loans for housing. When changing employment to a different city within the mainland (China), they may apply for the inter-city transfer and continuation of housing provident fund contributions. In the event of termination or expiry of the employment (or engagement) relationship with the employer and return to Hong Kong, Macau or Chinese Taiwan, they may withdraw the balance in their individual housing provident fund account in accordance with the relevant provisions.

Regulations on Intellectual Property

Patents

The Patent Law of the People's Republic of China (《中華人民共和國專利法》), promulgated by the SCNPC on 12 March 1984, as last amended on 17 October 2020 and effective on 1 June 2021, and the Detailed Rules for the Implementing 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》), promulgated by the State Council on 15 June 2001, as last revised on 11 December 2023 and effective on 20 January 2024, provide that patents in China are divided into three categories: invention patents, utility model patents and design patents. An invention or utility model for which a patent right is to be granted shall possess the attributes of novelty, creativity and practical applicability. A design for which a patent right is to be granted shall not be a prior design; nor shall any entity or individual have filed an application with the patent administration department under the State Council for the same design prior to the filing date and the same design be recorded in the patent documents published after such filing date. The term of an invention patent right is twenty years, the term of a utility model patent right is ten years, and the term of a design patent right is fifteen years, each commencing from the filing date.

Trademarks

The Trademark Law of the People's Republic of China, promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and implemented on 1 November 2019, and the Regulation on 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》), promulgated by the State Council on 3 August 2002, revised on 29 April 2014 and implemented on 1 May 2014, provide that trademarks registered with and approved by the Trademark Office of the National Intellectual Property Administration are registered trademarks, including goods trademarks, services trademarks, collective trademarks and certification trademarks. The term of validity of a registered trademark is ten years, commencing from the date of approval of registration. Where the validity period of a registered trademark expires and continued use is desired, an application for renewal shall be made within the twelve months preceding the expiry date in accordance with the relevant provisions. The term of validity of each renewal of registration is ten years, commencing from the day following the expiry date of the previous term of validity of the trademark.

Copyright

The Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the SCNPC on 7 September 1990, as last amended on 11 November 2020 and effective on 1 June 2021, sets forth that works of Chinese citizens, legal persons or unincorporated organisations, whether published or not, shall enjoy copyright under this Law. Works refer to intellectual creations in the fields of literature, art and science that are original and capable of being expressed in a certain form, including written works, oral works, musical, dramatic, artistic, photographic and audiovisual works, graphic works such as engineering design drawings and product design drawings, model works, computer software and other intellectual creations that possess the characteristics of a work. Copyright owners enjoy a series of moral rights and economic rights in respect of their works, including, but not limited to, the right of publication, the right of authorship, the right of alteration, the right of protection of the integrity of works, the right of reproduction, the right of distribution, and other rights that shall be enjoyed by copyright owners.

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on 4 June 1991, as last revised on 30 January 2013 and effective on 1 March 2013, set forth that the software protected under such Regulations must be independently developed by the developer and fixed on a tangible medium. The copyright in the software belongs to its developer, and the software copyright owner enjoys the right of publication, the right of authorship, the right of alteration and other rights. For software developed jointly by two or more natural persons, legal persons or other organisations, the ownership of the copyright shall be stipulated in a written contract by the co-developers. For software developed under a commission, the ownership of the copyright shall be stipulated in a written contract between the commissioning party and the commissioned party; in the absence of a written contract or explicit stipulation therein, the copyright shall be owned by the commissioned party.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) that was promulgated by the Ministry of Industry and Information Technology on 24 August 2017 and implemented on 1 November 2017, domain name registration services shall, in principle, follow a "first-apply, first-register" rule. An applicant shall provide the domain name registrar with true, accurate and complete identity information of the domain name holder and other domain name registration information, and the relevant domain name registrar shall accept the domain name registration application in accordance with such Measures and relevant provisions. No organisation or individual shall register or use a domain name containing content prohibited by laws or administrative regulations.

Regulations on Taxation

Enterprise Income Tax

The Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), promulgated by the SSCNPC on 16 March 2007, as last amended on 29 December 2018 and effective on the same date, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on 6 December 2007, as last revised on 6 December 2024 and effective on 20 January 2025, set forth that an enterprise legally established within the territory of China, or an enterprise established under the laws of a foreign country (or region) whose *de facto* management body is located in China, shall be treated as a resident enterprise and shall be subject to enterprise income tax at the rate of 25% on its income derived from both within and outside the territory of China. The State offers preferential policies on enterprise income tax to industries and projects that are prioritised and encouraged by the State for development. High and new technology enterprises that are prioritised by the State can enjoy a reduced enterprise income tax rate of 15%.

Value-Added Tax

The Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on 25 December 2024 and effective on 1 January 2026, stipulates that any unit or individual (including individual industrial and commercial households) that sells goods, services, intangible assets or immovable property within the territory of the PRC, or imports goods into the territory, shall be a taxpayer subject to value-added tax ("**VAT**") and shall pay VAT in accordance with the provisions of this Law. The current VAT rates are 13%, 9%, 6% and 0%, while the collection rate applicable to taxpayers using the simplified method for calculating and paying VAT is 3%. Taxpayers shall use the VAT credit vouchers prescribed by laws, administrative regulations or the State Council to offset input tax from output tax.

The Regulations on the Implementation of the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法實施條例》), promulgated by the State Council on 25 December 2025 and implemented on 1 January 2026, sets forth that when issuing a VAT special invoice, a taxpayer shall separately state the sales amount and the VAT amount. VAT credit vouchers shall comply with the relevant provisions of the competent tax authority under the State Council, and specifically include VAT special invoices, special customs bills of payment for VAT on import, tax payment vouchers, agricultural produce purchase invoices, agricultural produce sales invoices, and other credit vouchers that have the function of input tax credit.

The Announcement on the Value-Added Tax and Consumption Tax Policies for Export Businesses (《關於出口業務增值稅和消費稅政策的公告》), jointly issued by the Ministry of Finance and the State Taxation Administration on 30 January 2026 and effective on 1 January 2026, specifies detailed provisions on export businesses to which the VAT refund (exemption) policy applies. The basis for calculating the VAT refund (exemption) shall be determined by reference to the export invoice, ordinary invoice, receipts for income, or the special VAT invoice, special customs bills for VAT on import or tax payment vouchers.

Dividend Tax

Individual Investors

The Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), promulgated by the SCNPC on 10 September 1980, newly amended on 31 August 2018 and implemented on 1 January 2019, and the Regulations on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), promulgated by the State Council on 28 January 1994, last revised on 18 December 2018 and implemented on 1 January 2019, set forth that dividend income derived by individual investors from enterprises within the territory of China (regardless of where the payment is made) shall be subject to individual income tax at the rate of 20%, which shall be withheld and paid by the domestic enterprises, except for income that is exempt from tax under international conventions acceded to or agreements entered into by the Chinese government, as well as other tax-exempt income and tax reduction circumstances prescribed by the State Council.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**"), which was entered into between the Mainland and the Hong Kong Special Administrative Region on 21 August 2006 and came into effect on 8 December 2006, dividends paid by a resident company to a resident of the other side may be taxed in that other side. Such dividends may also be taxed in the side of the resident company paying the dividends according to the laws of that side. But if the beneficial owner of the dividends is a resident of the other side, the tax so charged shall not exceed: 5% of the total amount of the dividends if the beneficial owner is a company which holds directly at least 25% of the capital of the company paying the dividends; and 10% of the total amount of the dividends in all other cases. Pursuant to the relevant provisions of the Arrangement, the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements, issued by the State Administration of Taxation on 20 February 2009 and implemented on the same date, specifies that where a Chinese resident company pays dividends to a Hong Kong resident, and such Hong Kong resident (or the recipient of the dividends) is the beneficial owner of such dividends, the dividends received by the Hong Kong resident shall be eligible for treatment under the tax arrangement, whereby the income tax payable by the Hong Kong resident in China shall be calculated at the rate stipulated in the Arrangement. If the rate stipulated in the Arrangement is higher than the rate prescribed under the domestic tax laws of China, the taxpayer may pay tax in accordance with the domestic tax laws of China.

The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the "**Fifth Protocol**"), which was signed between the Mainland and the Hong Kong Special Administrative Region on 19 July 2019 and implemented on 6 December 2019, provides that, notwithstanding the other provisions of the Arrangement, if, having regard to all relevant facts and circumstances, it may be reasonably concluded that obtaining an Arrangement benefit was one of the principal purposes of any arrangement or transaction that directly or indirectly results in that benefit, the benefit shall not be granted in respect of the relevant income, unless it is established that granting the benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Arrangement.

Enterprise Investors

Pursuant to the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H-Share Holders which are Overseas Non-Resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非

居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) that was issued by the State Administration of Taxation on 6 November 2008 and implemented on the same date, where a Chinese resident enterprise distributes dividends in respect of the year 2008 and subsequent years to a non-resident enterprise shareholder of H-shares, it shall withhold and pay the enterprise income tax at a uniform rate of 10%. After receiving such dividends, the non-resident enterprise shareholder may, either by itself or through an authorised agent or the withholding and paying agent, submit an application to the competent tax authority for the treatment under the relevant tax treaty (arrangement), and provide documentation evidencing that it is the beneficial owner as defined under the tax treaty (arrangement). Upon verification by the competent tax authority, the difference between the tax already withheld and the tax payable at the rate prescribed by the tax treaty (arrangement) shall be refunded to the taxpayer.

The Arrangement provides that the Chinese government may tax dividends paid by a company to Hong Kong residents (including natural persons and legal entities), but the tax so charged shall not exceed 10% of the total amount of the dividends payable by the company. If the beneficial owner is a company that directly holds at least 25% of the capital of the company paying the dividends, the tax charged shall not exceed 5% of the total amount of the dividends. The Fifth Protocol stipulates that such provisions shall not apply to any arrangement or transaction where obtaining such tax benefits is one of the principal purposes thereof.

Tax on Equity Transfer Income

Individual Investors

The Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), promulgated by the SCNPC on 10 September 1980, last amended on 31 August 2018 and implemented on 1 January 2019, and the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), promulgated by the State Council on 28 January 1994, last revised on 18 December 2018 and implemented on 1 January 2019, stipulate that income derived by an individual from interest, dividends and bonuses, income from the lease of property, income from the transfer of property, and incidental income shall be subject to individual income tax at the rate of 20%. Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Continued Temporary Exemption of Individual Income Tax on Share Transfer Income by Individuals (《財政部國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), jointly issued by the Ministry of Finance and the State Administration of Taxation on 30 March 1998 and implemented on the same date, income derived by an individual from the transfer of shares of listed companies shall continue to be temporarily exempt from individual income tax since 1 January 1997.

Enterprise Investors

The Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), promulgated by the SCNPC on 16 March 2007, last amended on 29 December 2018 and implemented on the same date, and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on 6 December 2007, last revised on 6 December 2024 and implemented on 20 January 2025, set forth that a non-resident enterprise shall pay enterprise income tax on its income derived from sources within China, including income from the transfer of equity investments in Chinese enterprises. However, if the non-resident enterprise does not have an establishment or premise within China, or if it has an establishment or premise but the income derived is not effectively connected with such establishment or premise, the enterprise income tax shall be levied at a reduced rate of 10%. The aforesaid enterprise income tax payable by a non-resident enterprise shall be withheld at source, with the payer acting as the withholding agent, and the tax shall be withheld by the withholding agent at the time of each payment or when the payment becomes due.

Regulations on Cyber and Data Security

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 7 November 2016, amended on 28 October 2025 and took effect on 1 January 2026, sets forth that the State implements a cybersecurity graded protection system, and cyber operators shall, in accordance with the requirements of such system, perform their security protection obligations to safeguard the network against interference, damage or unauthorised access, and to prevent network data from being leaked, stolen or tampered with. Cyber products and services shall comply with the mandatory requirements of the relevant national standards. Providers of cyber products and services shall not install malicious programs; upon discovering security flaws, vulnerabilities and other risks in their cyber products or services, they shall immediately take remedial measures, and promptly notify users and report to the relevant competent authorities in accordance with the relevant provisions.

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 10 June 2021 and implemented on 1 September 2021, sets forth that the State establishes a data classification and hierarchical protection system. In carrying out data processing activities, appropriate measures shall be taken in accordance with laws and regulations to establish a robust system for data security management across the entire process organise data security education and training, and adopt appropriate technical and other necessary measures to ensure data security. Where data processing activities are carried out using the Internet or other information networks, the aforementioned data security protection obligations shall be performed on the basis of the cybersecurity graded protection system. Any organisation or individual shall collect data by lawful and legitimate means, and shall not steal or otherwise obtain data by unlawful means.

The Regulation on Network Data Security Management, promulgated by the State Council on 24 September 2024 and effective on 1 January 2025, stipulates that where a network data processor carries out network data processing activities that affect or may affect national security, a national security review shall be conducted in accordance with the relevant provisions of China. Where a network data processor provides or entrusts the processing of personal information or important data to another network data processor, it shall, through a contract or otherwise, stipulate the purpose, method and scope of the processing as well as security protection obligations with the recipient of the network data, and shall supervise the performance of such obligations by the recipient of the network data.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), promulgated by the SCNPC on 20 August 2021 and effective on 1 November 2021, sets forth that the processing of personal information shall follow the principles of lawfulness, legitimacy, necessity and integrity, and shall not be carried out by misrepresentation, fraud or coercion. The collection of personal information shall be limited to the minimum scope necessary to achieve the purpose of the processing, and excessive collection of personal information shall be prohibited. No organisation or individual may unlawfully collect, use, process or transmit others personal information, nor unlawfully trade, provide or disclose others personal information; nor may they engage in personal information processing activities that endanger national security or the public interest.

Regulations on Securities and Overseas [REDACTED]

Laws and Regulations on Securities

The Securities Law of the People's Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on 29 December 1998, last revised on 28 December 2019 and came into effect on 1 March 2020, comprehensively regulates securities trading activities in Chinese securities market. The issuance and trading of securities must comply with the principles of openness, fairness and impartiality, adhere to laws and administrative regulations, and prohibit fraud, insider trading and market manipulation. **[REDACTED]** of securities must satisfy the conditions prescribed by laws and administrative regulations and be registered legally with the security regulatory authority under the State Council or the department authorised by the State Council. No entity or individual may make a

[REDACTED] of securities without such registration. An **[REDACTED]** and trading of securities shall be submitted to the stock exchange. The stock exchange shall review and approve the application in accordance with the law, and both parties shall enter into a **[REDACTED]**. Where a domestic enterprise issues securities overseas, directly or indirectly, or **[REDACTED]** its securities for trading overseas, it shall comply with the relevant provisions of the State Council.

Overseas [REDACTED]

The Interim Measures for the Administration of Overseas **[REDACTED]** and **[REDACTED]** by Domestic Enterprises (《境內企業境外發行**[REDACTED]**和**[REDACTED]**管理試行辦法》), promulgated by the China Securities Regulatory Commission (the "**CSRC**") on 17 February 2023 and effective on 31 March 2023, set forth that a domestic enterprise making its **[REDACTED]** or **[REDACTED]** overseas shall file with the CSRC within three working days after submitting the **[REDACTED]** documents overseas, and the filing materials shall be true, accurate and complete, without any false record, misleading statement or material omission. A domestic enterprise conducting overseas issuance or **[REDACTED]** shall strictly comply with laws, administrative regulations and relevant state provisions on foreign investment, state-owned assets management, industry regulation and overseas investment, and shall not disturb the order of the domestic market, nor impair national interests, public interests or the legitimate rights and interests of domestic investors. The CSRC and the relevant competent authorities under the State Council shall, in accordance with their respective functions and duties, supervise, inspect or investigate domestic enterprises engaging in **[REDACTED]**, as well as the **[REDACTED]** business carried out in the domestic market by securities companies and securities service institutions. The Interim Measures also specify the circumstances under which an **[REDACTED]** shall be prohibited, including: (1) where laws, administrative regulations or relevant state provisions expressly prohibit **[REDACTED]** or financing; (2) where the relevant competent authority under the State Council, after review in accordance with the law, determines that the overseas **[REDACTED]** or **[REDACTED]** may endanger national security; (3) where the domestic enterprise, or its controlling shareholder or *de facto* controller, has been criminally convicted of bribery, embezzlement, misappropriation of property, or crimes undermining the socialist market economic order within the past three years; (4) where the domestic enterprise is under investigation for suspected criminal offences or material regulatory violations and no final conclusion has been reached; or (5) where the shares held by the controlling shareholder or shareholders controlled by the *de facto* controller are subject to material ownership disputes.

The Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas **[REDACTED]** by Domestic Enterprises (《關於加強境內企業境外**[REDACTED]**相關保密和檔案管理工作的規定》), which was jointly promulgated by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration on 24 February 2023 and implemented on 31 March 2023, specifies that domestic enterprises engaging in overseas **[REDACTED]** activities, as well as securities companies and securities service institutions providing corresponding services to such domestic enterprises, shall strictly comply with the relevant laws and regulations of the People's Republic of China and the requirements of such Provisions, enhance their awareness of protecting state secrets and strengthening archives management, establish and improve systems for confidentiality and archives work, take necessary measures to implement their responsibilities for confidentiality and archives management, and shall not disclose state secrets or working secrets of state organs, nor impair the interests of the State or the public. Where a domestic enterprise, directly or through its overseas **[REDACTED]** entity, provides or publicly discloses to securities companies, securities service institutions, overseas regulatory authorities or other entities or individuals any documents or materials involving state secrets or working secrets of state organs, it shall, in accordance with the law, obtain approval from the competent authority with the relevant approval authority, and file with the competent authority for secrecy administration at the same level for record.

Regulations on the Full Circulation of H Shares

The Detailed Implementing Rules for the "Full Circulation" of H-Shares (《H股"全流通"業務實施細則》) (the "**Detailed Rules**"), promulgated by the China Securities Depository and Clearing Corporation Limited ("**CSDC**") and the Shenzhen Stock Exchange ("**SZSE**") on 31 December 2019 and effective on the same date, provide that the Detailed Rules shall apply to cross-border transfer registration, depository and maintenance of holding records, trading order placement and instruction transmission, settlement, settlement participant management, nominee holder services and other related matters in respect of the "full circulation" of H-shares. Matters not covered by the Detailed Rules shall be handled in accordance with other business rules of CSDC, China Securities Depository and Clearing Corporation (Hong Kong) Limited ("**CSDC HK**") and the SZSE.

The Business Guidance for the Application for "Full Circulation" of Domestic Unlisted Shares of H-Share Companies (《H股公司境內未上市股份申請"全流通"業務指引》), which was promulgated by the CSRC on 14 November 2019, revised on 10 August 2023 and implemented on the same date, provides that, subject to compliance with relevant laws, regulations and policy requirements relating to state-owned asset management, foreign investment and industry regulation, the holders of domestic unlisted shares may determine, through mutual consultation, the number and proportion of shares to be circulated, and shall authorise the H-share company to file with the CSRC for record.

The Business Guidance for the "Full Circulation" of H-Shares of China Securities Depository and Clearing Corporation (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 was promulgated by CSDC HK on 7 February 2020,amended on 20 September 2024 and implemented on 23 September 2024, revises the wording in respect of the change of the "full circulation" of H-shares from an approval-based system to a filing-based system, refines the operational procedures for the overseas custody of shares, and removes the provision relating to the assistance by the Company in the overseas registration of shares for a listed company.

The Business Guidance for the "Full Circulation" of H-Shares of the 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 was promulgated by the Shenzhen Branch of CSDC on 20 September 2024, last revised on 27 June 2025 and implemented on 30 June 2025, revises the relevant provisions thereof to reflect the adjustment of the share settlement fee (continuous net settlement) rate in the Hong Kong market.

APPROVAL OF CHINESE TAIWAN INVESTMENT REGULATIONS

According to the Regulations Governing the Approval of Investment or Technical Cooperation in the Chinese Mainland Area (在大陸地區從事投資或技術合作許可辦法) (the "**Approval of Investment Regulations**"), direct or indirect investments made by each individual with Chinese Taiwan passport or Chinese Taiwan-incorporated entity in Chinese Mainland through companies under its control are subject to the approval of the Taiwan Department of Investment Review.

Article 3 of the Approval of Investment Regulations provides that a direct or indirect investment in the PRC includes the following activities conducted in the PRC (collectively, "**PRC Investment Activities**"): (i) the establishment of a new company or business; (ii) contributing to a capital increase in an existing PRC company or business; (iii) acquisition of equity in an existing PRC company or business (but excluding the purchase of publicly traded company stocks); and (iv) establishing or expanding a branch or business.

Other than investments in prohibited or conditionally permitted categories, if the total investment amount of each individual with Chinese Taiwan passport or Chinese Taiwan-incorporated entity in a single Chinese Mainland entity does not exceed the Original Quota US$1 million, these persons can report to the Taiwan Department of Investment Review within six months after the investment was made. If such individual or entity's investment in a single Chinese Mainland entity exceeds US$1 million, they are required to obtain the Taiwan Department of Investment Review's prior approval before conducting such investment. In addition, individuals with Chinese Taiwan passport are also restricted by the Annual Investment Quota of US$5 million per year for investments in Chinese Mainland.

As advised by our Chinese Taiwan Legal Advisers, we understand that our Chinese Taiwan Shareholders' investment in our Company and indirect investments in our subsidiaries in Chinese Mainland is subject to the approval of the Taiwan Department of Investment Review, and the above investment shall be categorised under the general items (i.e. not businesses where investment by investors with Taiwan passport or are Chinese Taiwan-incorporated entities is prohibited or conditionally permitted) pursuant to the Approval of Investment Regulations. Any additional investment by each of our Chinese Taiwan Shareholder(s) in the future will be subject to prior approval by the Taiwan Department of Investment Review (if the total investment made by such Chinese Taiwan Shareholder in a single Chinese Mainland entity exceeded the Original Quota). Each of our Chinese Taiwan Shareholders are also subject to the Annual Investment Quota.

Based on our Chinese Taiwan Legal Advisers' interpretation, we believe that the Taiwan Department of Investment Review would likely take the position that as long as our Chinese Taiwan Shareholders are interested in our Shares, certain equity capital increase into our Company or our subsidiary(ies) in Chinese Mainland will be considered as additional investment by our Chinese Taiwan Shareholders. The amount of investment made by each Chinese Taiwan Shareholder will be determined with reference to their respective equity interests in our Company. If the Taiwan Department of Investment Review takes that position, each of our Chinese Taiwan Shareholders will be required to obtain an approval from the Taiwan Department of Investment Review for their equity capital increase. As advised by our Chinese Taiwan Legal Advisers, based on the current practice and policy of the Taiwan Department of Investment Review, we do not expect that our Chinese Taiwan Shareholders would have any legal impediment in obtaining approval from the Taiwan Department of Investment Review for equity capital increase into our Company or our Chinese Mainland subsidiaries in the future so long as each of our Chinese Taiwan Shareholders complies with the Approval of Investment Regulations and the equity capital increase does not exceed the Original Quota (if applicable) or the Annual Investment Quota. However, we cannot guarantee that the current practice and policy of the Taiwan Department of Investment Review will remain the same in the future.

Based on our Chinese Taiwan Legal Advisers, equity capital increase in us or our Chinese Mainland subsidiaries as a result of the receipt or using **[REDACTED]** from the **[REDACTED]** by us will not be counted towards the Original Quota or Annual Investment Quota of each Chinese Taiwan Shareholder as such **[REDACTED]** represent funds received by us from third party investors.