This section summarizes the principal PRC and Korean laws, rules and regulations that we believe are relevant to our business and operations.

PRINCIPAL PRC LAWS, RULES AND REGULATIONS

Regulations on Electronic Specialty Materials Manufacturing Industry

According to the Industrial Structure Adjustment Guidance Catalogue (2024 Version) (《產業結構調整指導目錄(2024年本)》) promulgated by the National Development and Reform Commission of the People's Republic of China on December 27, 2023 and effective from February 1, 2024, the Catalogue emphasizes, with a focus on optimizing the industrial structure and promoting high-quality industrial development, that under the "Encouraged" category, items relating to the "Information Industry" and "New Materials" expressly support the development of key materials in the electronic information field and high-performance metal materials, including key materials for the electronics industry, electronic chemicals and key raw materials, as well as copper and nickel metal materials, precious metal materials and nano-powder materials.

The Guiding Catalogue for the First Batch Application Demonstration of Key New Materials (2024 Edition) (《重點新材料首批次應用示範指導目錄(2024年版)》), promulgated by the Ministry of Industry and Information Technology of the People's Republic of China on December 18, 2023 and effective from January 1, 2024, includes materials such as nickel inner electrode paste materials for high-capacitance and small-size MLCCs, liquid metal ultrafine spherical powders and conductive adhesives, ultrafine spherical silver powders and ultrafine silver-coated copper powders, copper-based micro- and nano-powder materials, and pure copper powders for electrical contact materials as key new materials of the PRC.

On January 25, 2017, the National Development and Reform Commission of the People's Republic of China promulgated the Guiding Catalogue of Key Products and Services of Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016年版)》), which specifies 174 sub-directions under 5 major fields, 8 industries and 40 key directions, covering nearly 4,000 subdivided products and services, including: new electronic component materials under key electronic materials, comprising high-end specialized materials such as magnetic materials, ceramic materials, piezoelectric crystal materials, high-frequency copper-clad laminates for communication systems and related materials, electronic lead-free solders, and thick and thin film materials; and new-type metal functional materials under the new materials industry, including functional metal powder materials.

Laws and Regulations Relating to Intellectual Properties

Patents

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), which was issued by the SCNPC on March 12, 1984, and latest revised on October 17, 2020 and came into effect on June 1, 2021. Invention patent refers to new technical solutions for a product, method or its improvement. Utility model patent refers to new technical solutions for the shape, structure or the combination of both shape and structure of a product, which is applicable for practical use. Design patent refers to new designs of the shape, pattern or the combination of shape and pattern, or the combination of the color, shape and pattern of a product with aesthetic feeling and industrial application value. Invention patent, utility model and design patent shall be valid respectively for 20 years, 10 years and 15 years commencing from the date of application. Any exploitation of a patent without the authorization of the patentee constitutes an infringement of patent rights, in which case the infringer shall be liable to compensate the patentee for the losses incurred, and may be subject to fines or even criminal liability.

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was issued by the SCNPC on August 23, 1982, came into effect on March 1, 1983 with latest amended on April 23, 2019, and became effective on November 1, 2019 and the PRC Trademark Law Implementing Regulations (《中華人民共和國商標法實施條例》), which was issued by the State Council on August 3, 2002, came into effect on September 15, 2002, amended on April 29, 2014 and came into effect on May 1, 2014. The trademark bureaus under the State Administration for Market Regulation are responsible for trademark registration and authorizing registered trademarks for a validity period of 10 years. Trademarks may be renewable by the trademark registrant every ten years where a registered trademark needs to be used after the expiration of its validity period. Trademark registrants may license, authorize others to use their registered trademark by signing up a trademark license contract. The trademark license agreements shall be submitted to the trademark office for recording. Acts constituting infringement of the exclusive right to use a registered trademark include, without limitation, using a trademark that is identical with or similar to the registered trademark on the same or similar goods without the authorization of the trademark registrant. The infringer shall be ordered to immediately cease the infringing act, and may be subject to fines.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**"), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of China(NCAC) on February 20, 2002 and latest revised on June 18, 2004, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the NCAC shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority which shall grant registration certificates to the computer software copyrights applicants according to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) and the Regulations on the Computer Software Protection (《計算機軟件保護條例》).

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名稱管理辦法》) issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain names registrations are handled through domain name service agencies established according to relevant regulations, and the applicants become domain name holders upon successful registration.

Laws and Regulations Relating to Work Safety, Environmental Protection and Fire Safety

Work Safety

Under relevant construction safety laws and regulations, including the Work Safety Law of the PRC (《中華人民共和國安全生產法》) which was promulgated by the SCNPC on June 29 2002 and last amended on June 10 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide the employees with protective equipment that meets the national standards or industrial standards. The principal person in charge of a production and business operation entity shall assume full responsibility for the work safety of the entity. Manufacturers are subject to the environment protection and work safety requirements regulated by the Ministry of Ecology and Environment of the PRC (the "**MEE**"), the Ministry of Emergency Management of the PRC (中華人民共和國應急管理部), its local counterparts, and the local people's governments.

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), which was promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment is authorized to issue national standards for environmental quality and emissions and to monitor the environmental protection scheme of the PRC. According to the Ecological and Environmental Code of the PRC (《中華人民共和國生態環境法典》) promulgated by the Standing Committee of the National People's Congress on March 12, 2026 and to be effective from August 15, 2026, the code will serve as the fundamental law in the field of ecological and environmental protection, and systematically consolidate the existing legal regimes in respect of environmental protection, pollution prevention and control, ecological conservation and other related areas.

Environmental Impact Appraisal

According to the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) (the "**Construction Environmental Protection Rule**"), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, a construction employer shall submit an environmental impact report or an environmental impact report form, or file an environmental impact registration form.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated on October 28, 2002, came into effect on September 1, 2003 and latest amended on December 29, 2018, the State implements administration by classification on the environmental impact of construction projects according to the level of impact on the environment. The construction unit shall prepare an environmental impact report or an environmental impact report form or complete an environmental impact registration form (the "**Environmental Impact Assessment Documents**") for reporting and filing purposes. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction unit is prohibited from commencing construction works.

Pollutant Discharge Licensing

Pursuant to the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated on April 1, 2024 and effective on July 1, 2024 by the MEE, enterprises and public institutions as well as other producers and operators subject to the administration of pollutant discharge permits shall apply for pollutant discharge license. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE on December 20, 2019 and effective on the same day, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

The State Council issued the Regulation on Pollutant Discharge Permit Administration (《排污許可管理條例》) on January 24, 2021 which came into effect on March 1, 2021 to further enhance the pollutant discharge administration. The administration on pollutant discharge units is divided into key management and simplified management pursuant to the amount of pollutant caused and discharged and the impact on the environment. The pollutant discharge license is valid for 5 years and the discharging units should apply for renewal 60 days before the expiry for the continuous pollutant discharge.

Hazardous Chemicals

The Regulations on Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) (the "**Hazardous Chemicals Regulation**") was promulgated by the State Council on January 26, 2002, latest amended on December 7, 2013 and effective therefrom. The Hazardous Chemicals Regulation provides regulatory requirements on the safe production, storage, use, operation and transportation of hazardous chemicals. The PRC government exerts strict control over implementing overall planning and rational layout for the production and storage of hazardous chemicals and the work safety supervision and administration department shall exam safety conditions of construction projects concerning manufacturing or storing hazardous chemicals.

Fire Protection Design Approval and Filing

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "**Fire Prevention Law**") was adopted on April 29, 1998 and last amended on April 29, 2021. According to the Fire Prevention Law and other relevant laws and regulations of the PRC, the Emergency Management Authority of the State Council and its local counterparts at or above county level shall monitor and administer the fire prevention affairs. The Fire and Rescue Department of the People's Government are responsible for implementation. The Fire Prevention Law provides that the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards (as the case may be). According to 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》), issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020, last amended on August 21, 2023 and officially implemented on October 30, 2023, special construction projects as defined under such Interim Provisions shall conduct fire protection design review and fire protection final inspection, construction projects other than such special construction projects shall be subject to a record-filing and spot check system.

Regulations on Import or Export Goods

According to 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 NPCSC on January 22, 1987 and last amended on April 29, 2021, unless otherwise provided for, the declaration of import or export goods and the payment of duties and taxes may be completed by the consignees or consigners on their own, and such formalities may also be completed by their entrusted customs declaration enterprises registered with the permission of the customs. The declaration of inward and outward articles and payment of duties thereon may be made by the owner of the articles or by his entrusted person. In addition, the consignees and consignors for import or export goods and the customs declaration enterprises shall be registered with the customs according to law to make the customs declarations. Enterprises engaged in processing trade shall file a record with the customs in accordance with the regulations of the General Administration of Customs. The volume of raw materials consumed per unit during the production of the finished products for processing trade shall be fixed by the customs in accordance with the relevant provisions. The finished products of a processing trade shall be re-exported within the stipulated time limit. According to the Administrative Provisions of the Customs of the People's Republic of China on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs on November 19, 2021 and effective on January 1, 2022, for any changes in the information such as the name of the customs declaration entity, type of market entity, domicile (main place of business), legal representative (person in charge), customs declaration personnel, etc. stated in the Information Form for Filing of Customs Declaration Entities (《報關單位備案信息表》), the customs declaration entity shall apply to the local customs office for changes within 30 days from the date of change.

Pursuant to the Notice on Matters Concerning the Filing of Import or Export Goods Consignees or Consignors (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023, and effective on the same date, import or export goods consignees or consignors applying for filing shall obtain market entity status and are not required to obtain foreign trade operator filing.

The Announcement on Fully Integrating Customs Declaration Unit Filing into the "Multiple Certificates in One" Reform (《關於報關單位備案全面納入「多證合一」改革的公告》), issued on December 20, 2021, and effective on January 1, 2022, further optimizes the business environment. It stipulates that when applicants register as market entities with market supervision authorities and simultaneously need to complete customs declaration unit filing, they should select the customs declaration unit filing option as required and supplement the relevant filing information. Market regulation authorities complete registration following the "multiple certificates in one" process and complete data sharing with the General Administration of Customs at the level of the State Administration for Market Regulation, eliminating the need for enterprises to submit separate filing applications to customs. After the implementation of the "multiple certificates in one" reform, enterprises that did not select this filing method may still submit customs declaration unit filing applications through the "Single Window" for international trade or the "Internet Plus Customs" platform.

Laws and Regulations Relating to Land, Planning and Construction of Projects

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986 and latest amended on August 26, 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) promulgated by the State Council on December 27, 1998 and latest revised on July 2, 2021, the land in the PRC is either State-owned or collectively-owned. Except for land which is legally owned by the State or has been expropriated as State-owned according to law, all of the land is collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms.

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and latest amended on April 23, 2019, if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planned area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people's government of the city or county or the people's government of the town as determined by the people's government of the province, autonomous region or municipality directly under the Central Government for a construction project planning permit.

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997 and latest amended on April 23, 2019, prior to the commencement of construction work, the construction entity shall apply to the competent construction administrative authority of the people's government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority under the State Council. A construction project shall be delivered for use only after it has passed the acceptance examination.

Laws and Regulations Relating to Leasing

On December 1, 2010, the Ministry of Housing and Urban-Rural Development of the PRC promulgated the Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which came into effect on February 1, 2011. According to these measures, the parties to a housing lease shall go to the competent construction (real estate) department of the municipality directly under the Central Government, city, or county where the leased housing is located to handle the registration and filing of the housing lease within 30 days after the conclusion of the housing lease contract. Where a company fails to complete the foregoing procedures, it may be ordered to rectify within a prescribed time limit, and may be subject to a fine if it fails to rectify within such time limit.

According to the Interpretation of the Supreme People's Court on Several Issues Concerning the Specific Application of Law in the Trial of Disputes over Urban Housing Lease Contracts (2020 Amendment) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》) promulgated by the Supreme People's Court on December 29, 2020 and effective on January 1, 2021, where the ownership of the leased housing changes during the period when the lessee possesses the housing in accordance with the lease contract, and the lessee requests the transferee of the housing to continue to perform the original lease contract, the PRC court shall support such request, except where a mortgage right has been established on the housing before renting and the change of ownership occurs due to the realization of the mortgage right by the mortgagee.

Laws and Regulations Relating to Employment and Social Securities

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), issued by the SCNPC on July 5, 1994, effective on January 1, 1995 and revised on August 27, 2009 and December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was promulgated by the SCNPC on June 29, 2007 and became effective on January 1, 2008, and then amended on December 28, 2012, and the Regulation on the Implementation of the Employment Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was issued by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees.

Social Securities and Housing Provident Fund

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC in 2010 and latest amended on December 29, 2018, and the Interim Regulations on Levying Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, latest amended on March 24, 2019 and effective on the same day, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% or 0.2% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the PRC court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the PRC court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the PRC court shall support such requests in accordance with the law.

According to the Regulations on Management of Housing Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, an enterprise that fails to make housing fund contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline; if the enterprise still fails to make such contributions within the stipulated deadline, an application may be made to a local court for compulsory enforcement.

Occupational Disease Prevention and Control

According to the Occupational Disease Prevention and Control Law of the People's Republic of China (《中華人民共和國職業病防治法》) promulgated by the NPCSC on October 27, 2001 and amended on December 31, 2011, July 2, 2016, November 4, 2017 and December 29, 2018 respectively, the employer shall provide environments and conditions that meet the occupational health standards and health requirements of the State, take measures to ensure occupational health protection for the workers, establish and improve the responsibility system for the prevention and control of occupational diseases, reinforce the management of occupational disease prevention and control, enhance the level of occupational disease prevention and control, and assume responsibility for harms caused by occupational diseases. Besides, where there are occupational disease hazard factors listed in the catalog of occupational diseases in the work site, production entities shall truthfully declare the occupational disease hazard project to the local health administrative department in a timely manner and accept its supervision.

Laws and Regulations Relating to Foreign Exchange and Overseas Investment

On January 29, 1996, the State Council (國務院) promulgated the Regulation of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) which was issued on January 29, 1996 and became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《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》) which issued by the SAFE on June 9, 2016 and became effective on the same day, as partially amended by the Circular of the State Administration of Foreign Exchange on Further Deepening Reform and Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued and implemented on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. That the foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of domestic institutions for business operations has been clearly implemented in relevant policies.

Pursuant to the Circular of the State Administration of Foreign Exchange on Further Deepening Reform and Facilitating Cross-border Trade and Investment (《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》), which was implemented by the SAFE on October 23, 2019 and most recently amended on December 4, 2023, the relevant policies have expressly facilitated the payment and use of equity transfer proceeds under domestic reinvestment of foreign-invested enterprises and funds raised through overseas listings, and adjusted the capital account liquidation account to a capital account settlement account. The domestic equity transferor (including institutions and individuals) receiving equity transfer consideration funds paid in foreign currency by domestic entities may directly have such funds, as well as foreign exchange funds raised by domestic enterprises through overseas listings, remitted into the capital account settlement account, and the funds in the capital account settlement account may be voluntarily settled and used.

On December 26, 2025, the People's Bank of China and the SAFE jointly issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (the "**Notice**"), which came into effect on April 1, 2026. The Notice: (i) unifies RMB and foreign-currency fund management, allowing overseas listing proceeds and domestic shareholders' post-listing share-disposal proceeds to be repatriated in RMB or foreign currency, and requiring RMB-denominated domestic dividend payments under the H-share "Full Circulation" program; (ii) facilitates domestic use of proceeds and exchange-rate risk management by permitting freely convertible repatriated funds and autonomous hedging arrangements within the PRC; (iii) streamlines administration by authorizing banks to handle registration procedures and extending relevant filing time limits; and (iv) strengthens fund supervision by requiring, in principle, the repatriation of proceeds and uncompleted transaction funds, while allowing qualified enterprises to retain funds overseas under prescribed conditions.

Laws and Regulations Relating to Taxation

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), promulgated by the NPC (全國人民代表大會) on March 16, 2007, which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, as well as Regulation on the Implementation of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "**EIT Implementation Rules**"), promulgated by the State Council on December 6, 2007, which came into force on January 1, 2008 and were amended on April 23, 2019 and December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such incomes are obtained outside the PRC but have an actual connection with the set-up institutions or sites in the PRC. Preferential enterprise income tax is granted to industries and projects that are supported and encouraged by the country. For high and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-Added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNP on December 25, 2024 and effective as of January 1, 2026, entities and individuals that sell goods, services, intangible assets or real estate within the territory of the PRC, as well as import goods, shall be taxpayers of value-added tax ("**VAT**") and shall pay VAT in accordance with the provisions thereof. Where a taxpayer conducts one taxable transaction involving two or more VAT rates or levy rates, the VAT rate or levy rate applicable to the principal business of such taxable transaction shall apply.

Taxation on Dividends

Pursuant to the EIT Law and the EIT Implementing Rules, if a non-resident enterprise has not set up an organization or establishment in the PRC or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. According to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion 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》) issued by State Taxation Administration on August 21, 2006 and effective from December 8, 2006, dividends repatriated from a PRC entity to its Hong Kong shareholder owning more than 25% of the capital would be entitled to a reduced withholding tax rate of 5% subject to certain conditions.

The State Administration of Taxation (the "**SAT**"), issued the Administrative Measures on Entitlement of Non-residents to Treatment under Treaties (《非居民納稅人享受協定待遇管理辦法》) was issued by State Taxation Administration on October 14, 2019 and effective on January 1, 2020, which applies to non-resident taxpayers who have tax liability in China and claim treaty benefits. Non-resident taxpayers enjoying tax treaty benefits shall adopt the method of "self-assessment, claims by declaration and retention of the relevant materials for future inspection". Non-resident taxpayers who make their own declaration shall make self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant reports, statements and materials as required, and simultaneously collect and retain the relevant materials for future inspection. Also, tax authorities at any level shall, through strengthening follow-up administration for non-resident taxpayers' entitlement to tax treaty benefits, implement tax treaties accurately and prevent risks of indiscriminate application of tax treaties, tax evasion and tax avoidance.

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and the Hong Kong Special Administrative Region on 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**") on August 21, 2006. Pursuant to the Arrangement, the PRC Government may levy taxes on the dividends paid by a PRC-resident enterprise to Hong Kong residents (including resident individuals and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC-resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC-resident enterprise, then such tax shall not exceed 5% of the total dividends payable by the PRC-resident enterprise. The Fifth Protocol of the Arrangement between Mainland China and the Hong Kong Special Administrative Region on 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 effective on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits.

Regulations Related to Cybersecurity and Data Protection

In November 2016, the SCNPC promulgated the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) ("**the Cyber Security Law**"), which took effect on June 1, 2017 and was amended pursuant to the amendment decision promulgated by the SCNPC on October 28, 2025, which became effective on January 1, 2026. The Cyber Security Law requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) was issued by thirteen government departments including the Cyberspace Administration of China (“**CAC**”) on December 28, 2021, and became effective on February 15, 2022. According to the Measures for Cybersecurity Review, (i) a critical information infrastructure operator (關鍵信息基礎設施運營者) that purchases network products and services, or a network platform operator that carries out data processing activities, shall pre-assess the national security risks that may arise after the products and services are put into use or from such data processing activities, and if such products and services or data processing activities will or may affect national security, the operator shall apply for cyber security review with the cyber security review office; (ii) a network platform operator who possesses personal information (網絡平台運營者) of more than 1 million users shall apply for cyber security review with the cyber security review office before listing of the operator’s securities in a foreign country; and (iii) the relevant governmental authorities may initiate cyber security review if such governmental authorities consider an operator’s cyber products or services, data processing or potential listing of its securities in a foreign country affect or may affect national security.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which was promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, emphasizes the obligations and responsibilities of processors for the protection of personal information and requires higher levels of protection measures for the processing of sensitive personal information.

On September 24, 2024, the State Council issued the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The Regulations on Network Data Security Management aim to implement the general requirements for data security management set forth in the Cyber security Law, the Data Security Law, and the Personal Information Protection Law. The regulations reiterate the general provisions on data processing activities, personal information protection rules, important data security protection, cross-border network data security management, and the obligations of online platform service providers.

Laws and Regulations Relating to Company Establishment and Foreign Investment

Company Law of the PRC

Pursuant to the PRC Company Law (《中華人民共和國公司法》) promulgated by the SCNPC on December 29, 1993, which was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023 respectively and the latest amendment came into effect on July 1, 2024, the Company Law shall apply to all companies established in the PRC. The Company Law, which regulates the establishment, corporate structure and management of companies, also applies to foreign-invested companies.

Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was promulgated by the MOFCOM and the National Development and Reform Commission (the “**NDRC**”) on September 6, 2024 and took effect on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner, and the Catalogue of Industries for Encouraging

Foreign Investment (《鼓勵外商投資產業目錄》), or the Encouraging List, which sets out the encouraged industries for foreign investment, as promulgated and amended by the MOFCOM and the NDRC from time to time.

Foreign-Invested Enterprises

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the NPC on March 15, 2019 and came into effect as of January 1, 2020, The Foreign Investment Law establishes the basic framework for the foreign investment access, promotion, protection and administration in view of investment protection and fair competition.

Where a foreign investor carries out investment activities in PRC directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit investment information to the competent commerce administrative authorities through the enterprise registration system and the enterprise credit information publicity system.

Regulations Related to Overseas Listing

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") together with 5 supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing.

PRINCIPAL KOREAN LAWS, RULES AND REGULATIONS

Competent Authorities and Regulation

The regulatory environment in Korea is characterized by a comprehensive legal framework where various government ministries and agencies oversee specific aspects of business operations, including international trade and chemical safety. For a company engaged in the sale of chemical products, including nickel powder and other metal powder materials, the primary regulatory authorities and the governing legal regimes are as follows:

The Ministry of Trade, Industry and Energy (the "**MOTIE**") is the principal authority responsible for formulating and implementing trade policies under the Foreign Trade Act most recently amended on October 1, 2025. Complementing the MOTIE, the Korea Customs Service (the "**KCS**"), through its regional customs offices, oversees the import and export of goods under the Customs Act most recently amended on December 23, 2025. Any person seeking to import goods must declare the details of such goods to the head of a competent customs office and demonstrate compliance with any statutory requirements, such as permissions or labels, before the goods can be cleared. In addition, The Ministry of Economy and Finance (the "**MEF**") is responsible for imposing protective trade remedies through Enforcement Rule of the Customs Act, most recently amended on March 20, 2026.

The Ministry of Climate, Energy and Environment (the "**MCEE**") serves as the primary regulator for the management and safety of chemical substances. Under the Act on Registration and Evaluation of Chemical Substances most recently amended on November 11, 2025 and the Chemical Substances Control Act most recently amended on October 1, 2025, the MCEE oversees the registration of chemical substances, the assessment of hazards and risks, and the overall safety management of the handling process. Business operators who manufacture or import chemical substances or components are required to verify the classification of such substances and submit the results to the Minister of Climate, Energy and Environment.

The Personal Information Protection Commission (the "**PIPC**") is the primary regulator for the management of personal information. Under the Personal Information Protection Act most recently amended on April 1, 2025, the PIPC imposes obligations on personal information controllers to take technical, managerial and physical measures necessary to ensure the security of personal information.

The Commissioner of the Korean Intellectual Property Office (the "**KIPO**") is the primary regulator for patent applications, registration and related patent procedures. Under the Patent Act most recently amended on November 11, 2025, a patent right becomes effective upon registration of the grant of a patent, and the KIPO Commissioner administers matters relating to examination, registration, publication and other patent procedures.

Import and Export of Goods

In Korea, the import and export of goods are primarily governed by the Foreign Trade Act and the Customs Act.

Pursuant to Article 10 of the Foreign Trade Act, the import and export of goods is, in principle, freely permitted. However, Article 39 of the Foreign Trade Act allows the Minister of Trade, Industry and Energy to take measures to impose limitations on the quantity of imports to the extent necessary for preventing or curing serious damages and losses to the domestic industry of specific goods of the same kind, provided that such damages are confirmed through an investigation by the Trade Commission, remedial measures are recommended thereby, and the Minister of Trade, Industry and Energy recognizes the necessity to protect the relevant domestic industry. Pursuant to such provision, the Group's exports may be restricted in case quantitative import restrictions are imposed by the MOTIE, irrespective of any violations by the Group.

Pursuant to Article 241 of the Customs Act, any person seeking to export or import goods must declare to the head of the competent customs office the name, specification, quantity, and price of the relevant goods, among other required particulars. Furthermore, pursuant to Article 226 of the Customs Act, where goods are subject to requirements such as permission, approval, labels, or other conditions prescribed under relevant statutes and regulations for the purpose of export or import, the declarant must demonstrate to the head of the customs office that such conditions have been satisfied. The head of the customs office shall verify compliance with such requirements in accordance with the Public Notice on Designation of Goods Subject to Customs Verification and Verification Methods under Article 226 of the Customs Act.

Chemical Substances

In Korea, import of chemical substances is primarily governed by the Act on Registration and Evaluation of Chemical Substances.

Article 10 of the Act on Registration and Evaluation of Chemical Substances requires importers of chemical substances to register or report such substances with the Minister of Climate, Energy and Environment. Article 14(1) of the Act on Registration and Evaluation of Chemical Substances and Article 12 of the Enforcement Rules of the Act on Registration and Evaluation of Chemical Substances require a person applying for registration under Article 10(1) or Article 10(5) to submit prescribed registration data, including information on the manufacturer or importer, chemical substance identification, use, classification and labeling, physical and chemical properties, hazards, risk information where the annual manufacture or import volume is at least 10 tons, safe-use guidance, and data concerning exposure information related to the use of the relevant chemical substance.

Furthermore, pursuant to Article 9 of the Chemical Substances Control Act, any person who intends to manufacture or import a chemical substance shall verify the classification of such chemical substance or its components under relevant statutes and regulations (verification of chemical substance) and submit the results thereof to the Minister of Climate, Energy and Environment. "Verification of chemical substance" means verification of whether a chemical substance or its components fall under any of the following categories: phase-in substances as defined under Article 2, Subparagraph 3 of the Act on Registration and Evaluation of Chemical Substances; non-phase-in substances as defined under Article 2, Subparagraph 4 of the Act on Registration and Evaluation of Chemical Substances; substances acutely hazardous to human health; substances chronically hazardous to human health; substances hazardous to the environment; substances subject to permission; restricted substances; prohibited substances; or substances requiring preparation for accidents, as prescribed under Article 9 of the Chemical Substances Control Act.

Pursuant to such provision, the Group is to obtain and provide the necessary information including the aforementioned information to its importers, which is generally included in MSDS (Material Safety Data Sheet) and SGS test reports of the products, to the importers.

Taxation and Tariffs

In Korea, taxation and tariffs are primarily governed by the Corporate Tax Act, Customs Act and the Value-Added Tax Act. In addition, the allocation of taxing rights and the avoidance of double taxation with respect to taxes on income imposed by Korea, the PRC and their respective local authorities are governed by the Agreement between the Government of Korea and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

Article 3(1) of the Corporate Tax Act dictates that a domestic corporation or a foreign corporation which has income in Korea shall be liable to pay corporate tax on any income under the Act. Article 93 of the Corporate Tax Act sets out the categories of Korean-source income of a foreign corporation, including business income from operations in Korea, accrued from any business operated by a foreign corporation.

Article 19(1) of the Customs Act states the person liable to pay customs duties in respect of imported goods is, in principle, the owner of the goods at the time the import declaration is filed. Article 38(1) of the Customs Act requires any person who intends to import goods to file a duty return with the head of the relevant customs office at the time of filing the import declaration.

Article 4 of the Value-Added Tax Act imposes value-added tax on the importation of goods. Article 3(1)2 of the Value-Added Tax Act states that the person liable to pay value-added tax under the Act is the person who imports goods.

Article 13 of the Agreement between the Government of Korea and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income allocates taxing rights over capital gains depending on the nature of the asset transferred, and states that gains from the transfer of any other property are taxable only in the Contracting State of which the transferor is a resident.

The Customs Act stipulates various protective tariffs (including anti-dumping duties, countervailing duties and emergency tariffs), which may be imposed in addition to ordinary customs duties in order to remedy injury to a domestic industry caused by imports. Among others, Article 51 of the Customs Act allows the MEF to impose a customs duty not exceeding the amount equivalent to the dumping margin where foreign goods are imported at a price below their normal value. In addition, Article 57 of the Customs Act allows the MEF to impose a customs duty not exceeding the amount of subsidy where goods that have directly or indirectly received a subsidy or grant in connection with their manufacture, production, or export in a foreign country are imported, provided that it is confirmed through an investigation that a domestic industry has suffered or is likely to suffer material injury, or that the establishment of a domestic industry has been materially retarded, and it is deemed necessary to protect the domestic industry.

Pursuant to such provision, given that the Group is a PRC-based company engaged in exports of goods to Korea-based companies, and does not constitute a Korean corporation or maintain a permanent establishment in Korea, the Group should not be subject to Korean taxes and tariffs in respect of its exports to Korea-based companies. The protective tariffs are also structured so that such duties are imposed on the importer at the import clearance stage, rather than directly designating the exporter as the taxpayer. However, if such protective tariffs are imposed under the above provisions, while they do not apply directly to the Group, they may indirectly affect the terms, prices, or volumes of the Group's sales in Korea.

Personal Data and Data Protection

In Korea, personal data and data protection are primarily governed by the Personal Information Protection Act.

Article 29 of the Personal Information Protection Act states that every personal information controller shall take such technical, managerial, and physical measures as establishing an internal management plan and preserving access records, etc. that are necessary to ensure safety as prescribed by the Enforcement Decree of the Personal Information Protection Act so that the personal information may not be lost, stolen, divulged, forged, altered, or damaged. Article 2(1) of the Personal Information Protection Act describes "personal information" as information relating to a living individual that identifies a particular individual by his or her full name, resident registration number, image, etc.

Pursuant to such provision, as the Group's transactions with Korean customers are business-to-business transactions, the Group does not handle personal information, and therefore is not subject to obligations under the Personal Information Protection Act.

Intellectual Property

In Korea, the patent rights — distinguished from other intellectual property rights such as copyrights and trade secrets — are primarily governed by the Patent Act.

Article 87 of the Patent Act provides that a patent right arises upon the registration of the grant of a patent. Article 88 of the Patent Act stipulates that the term of a patent right is 20 years from the filing date of the patent application.

Article 94 of the Patent Act grants a patentee the exclusive right to work the patented invention as a business.

Articles 126 and 128 of the Patent Act further provide that, where a third party infringes a patent, the patentee may seek an injunction to stop or prevent such infringement and may claim damages for any resulting loss.

In light of the foregoing, the patent rights owned by the Group are valid and enforceable for the statutory term under Korean law, and, in the event of any infringement by a third party, the Group is entitled to seek injunctive relief to stop or prevent such infringement as well as claim damages for any resulting loss.