This section provides an overview of the major laws, regulations and rules relevant to our business in the PRC and Singapore. The information contained herein shall not be interpreted as a comprehensive summary of all laws and regulations applicable to us.

LAWS, REGULATIONS AND POLICIES IN CHINA

Industrial Policies

Domestic industrial development primarily follows relevant industrial structure guidelines issued by the National Development and Reform Commission of the People's Republic of China (the "**NDRC**") and the Ministry of Industry and Information Technology of the People's Republic of China (the "**MIIT**").

Pursuant to the Industrial Structure Adjustment Guidance Catalog (2024 Edition) (《產業結構調整指導目錄(2024年本)》, issued by the NDRC on December 27, 2023, effective February 1, 2024), industries such as integrated circuit design are classified as encouraged industries.

According to the Outline of the People's Republic of China's 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 (《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》, issued by the National People's Congress of the People's Republic of China (the "**NPC**") on March 12, 2021, effective the same day), it is pointed out that it is necessary to strengthen original and leading scientific and technological research, formulate and implement strategic scientific plans and scientific projects in basic core areas related to national security and overall development. The implementation of a series of forward-looking and strategic major national science and technology projects is also highlighted as essential. These projects should aim at cutting-edge fields such as artificial intelligence, quantum information, integrated circuits, life and health, brain science, biological breeding, aerospace science and technology, deep earth and deep sea.

According to the "14th Five-Year Plan" for Digital Economy Development (《「十四五」數字經濟發展規劃》, issued by the State Council on December 12, 2021, effective the same day), during the "14th Five-Year Plan" period, the competitiveness of core industries should be elevated. Focus will be placed on enhancing the supply capacity of fundamental software and hardware, core electronic components, critical raw materials, and production equipment, thereby bolstering the self-sufficiency of key products. Initiatives will be implemented to reinforce and fortify the industrial chain. Efforts will be directed towards fostering technological convergence and product innovation tailored to diverse application scenarios, strengthening the competitiveness of critical industrial chain segments, and refining the supply chain ecosystems for pivotal industries including 5G, integrated circuits, new energy vehicles, artificial intelligence, and the industrial internet.

According to the Outline for Promoting the Development of the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》, issued by the State Council on June 24, 2014, effective the same day), the development goal of the integrated circuit industry is to reach an advanced international standard in the major links of the integrated circuit industry chain by 2030, with a number of enterprises entering the international first tier and achieving leapfrog development. The main tasks and development priorities are to focus on the development of integrated circuit design industry, centering on key areas of the industry chain, strengthening integrated circuit design, software development, system integration, content and service collaborative innovation, and driving the development of the manufacturing industry with the rapid growth of the design sector.

Company Laws and Regulations

The Company Law of the People's Republic of China

The establishment, operation, and management of companies in China are governed by the Company Law of the People's Republic of China (《公司法》, the "**Company Law**"). The Company Law was amended by the Standing Committee of the National People's Congress of the People's Republic of China (the "**NPCSC**") in 2023 and became effective on July 1, 2024. The Company Law applies to all Chinese companies, including foreign-invested enterprises, unless otherwise stipulated by foreign investment-related laws. According to the Company Law, companies established in China are either limited liability companies or joint stock limited companies, regulated by the Company Law.

Restrictions on Equity and Share Transfer

Generally, the target investors for H-shares issued by domestic companies should be overseas investors. When domestic investors subscribe for H-shares issued by domestic companies, they shall comply with relevant regulations on cross-border investment, such as the Qualified Domestic Institutional Investor (QDII) scheme or Outbound Direct Investment (ODI) registration.

According to the Company Law, shares issued prior to a public offering shall not be transferred within one year from the date the company's shares are listed and traded on a stock exchange. Directors, supervisors, and senior management personnel of the company shall report their holdings of the company's shares and any changes therein to the company. During their term of office, the number of shares they transfer each year shall not exceed 25% of the total shares of the company held by them at the time of their appointment. The aforementioned personnel shall not transfer the shares of the company held by them within six months after leaving their posts. The company's articles of association may impose other restrictive provisions on the transfer of shares held by the company's directors, supervisors, and senior management personnel.

Laws and Regulations Concerning Foreign Investment

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》, issued by the NPC on March 15, 2019, effective January 1, 2020) established that the State implements a pre-establishment national treatment plus negative list management system for foreign investment. Pre-establishment national treatment means affording foreign investors and their investments treatment no less favorable than that afforded to domestic investors and their investments during the investment access phase. A negative list refers to special administrative measures for market access implemented by the State for foreign investment in specific sectors. Foreign investments outside the negative list shall receive national treatment. Furthermore, the Regulations for the Implementation of 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》, issued by the State Council on December 26, 2019, effective January 1, 2020) stipulated that the State shall formulate an Encouraged Catalogue for Foreign Investment Industries (《外商投資產業鼓勵目錄》) based on the needs of national economic and social development, listing specific industries, fields, and regions where foreign investment is encouraged and guided.

According to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單) (2024年版)》, issued by the NDRC and the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") on September 6, 2024, effective November 1, 2024), which replaces the previous negative list, domestic enterprises engaged in businesses prohibited by the negative list that seek to issue shares overseas and have them listed for trading must obtain approval from the relevant competent national authorities. Overseas investors shall not participate in the enterprise's operation and management, and their shareholding ratio shall be implemented with reference to the relevant regulations governing overseas investors' domestic securities investments.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》, issued by the NDRC and the MOFCOM on December 19, 2020 and effective January 18, 2021, the "**Measures**"), foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

Laws and Regulations Concerning Outbound Investment

According to the Administrative Measures for Outbound Investment (《境外投資管理辦法》, issued by the MOFCOM on September 6, 2014, effective October 6, 2014), MOFCOM and provincial-level commerce authorities implement filing and approval management based on different circumstances of enterprise outbound investment. Outbound investments involving sensitive countries/regions or sensitive industries are subject to approval management. Other outbound investments are subject to filing management.

According to the Administrative Measures for Enterprise Outbound Investment (《企業境外投資管理辦法》, issued by the NDRC on December 26, 2017, effective March 1, 2018), domestic enterprises in China (the "**investment entities**") conducting outbound investment shall fulfill procedures such as project verification or filing for overseas investment projects (the "**projects**"), report relevant information, and cooperate with supervision and inspection. The scope of verification management covers sensitive projects directly undertaken by the investment entity or through overseas enterprises it controls. The scope of filing management covers non-sensitive projects directly undertaken by the investment entity. The Sensitive Industries Catalogue for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》, issued by the NDRC on January 31, 2018, effective March 1, 2018) details the sensitive industries for outbound investment.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》, issued by the State Administration of Foreign Exchange (the "**SAFE**") on February 13, 2015, effective June 1, 2015), the approval for foreign exchange registration for direct investment was abolished. Banks directly handle foreign exchange registration for inbound and outbound direct investment items, while SAFE and its local branches exercise indirect supervision over banks.

Laws and Regulations Relating to Network Security and Data Security

According to the National Security Law of the PRC (《中華人民共和國國家安全法》, issued by the NPCSC on July 1, 2015 and effective the same day), the state shall establish the rules and mechanisms for national security review and supervision, and conduct national security review of foreign investment, particular materials and key technologies, network information technology products and services that affect or may affect national security, construction projects that involve national security matters, and other major matters and activities to effectively prevent and resolve national risks.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》, issued by the NPCSC on November 7, 2016 and effective June 1, 2017), those who build, operate or provide services through networks shall take technical measures and other necessary measures according to laws, administrative regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》, issued by the NPCSC on June 10, 2021 and effective September 1, 2021), the State shall establish a data classification and tiered protection system to implement categorized and tiered safeguards for data. Entities carrying out data processing activities shall establish a sound data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations.

Laws and Regulations Concerning Import and Export of Goods

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》, most recently amended by the NPCSC on December 30, 2022, effective the same day), the competent department of foreign trade under the State Council is responsible for national foreign trade. The competent department of foreign trade under the State Council, in conjunction with other relevant departments under the State Council, formulates, adjusts, and publishes the catalogue of goods and technologies subject to import or export restrictions or prohibitions. The competent department of foreign trade under the State Council or in conjunction with other relevant departments under the State Council may, upon approval by the State Council, temporarily decide to restrict or prohibit the import or export of specific goods or technologies not listed in the aforementioned catalogue, within the scope permitted by law.

According to the Notice on Matters Concerning the Filing of Consignees and Consignors of Import and Export Goods (《關於進出口貨物收發貨人備案有關事宜的通知》, issued by the General Administration of Customs of the People's Republic of China (the "**GACC**") on January 3, 2023, effective the same day) and the Administrative Provisions of the Customs of the People's Republic of China on Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》, issued by the GACC on November 19, 2021, effective January 1, 2022), effective January 3, 2023, consignees/consignors of import/export goods and customs declaration enterprises applying for filing shall obtain market entity qualification, and are no longer required to obtain foreign trade operator filing.

Laws and Regulations Concerning Product Quality

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》, the "**Civil Code**", issued by the NPC on May 28, 2020, effective January 1, 2021), if personal injury is caused by a defective product, the producer shall bear tort liability. If a defect is discovered after the product has been put into circulation, the producer and seller shall promptly take remedial measures such as ceasing sales, issuing warnings, or initiating recalls. If remedial measures are not taken promptly or are ineffective, causing the expansion of damages, the producer and seller shall also bear tort liability.

According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》, most recently amended by the NPCSC on December 29, 2018, effective the same day), products sold must comply with relevant safety standards. Sellers shall take measures to maintain the quality of the products they sell. The State implements a supervision and inspection system for product quality, primarily based on random sampling. Sellers shall not adulterate products, pass off fake products as genuine ones, pass off defective products as non-defective ones, or pass off substandard products as qualified ones. For sellers, any violation of national or industry health and safety standards or other requirements may lead to civil liability and administrative penalties. Furthermore, in serious cases, individuals or enterprises may face criminal liability. If personal injury or damage to other people's property is caused by a defective product, the consumer or victim may claim compensation from the producer of the product, or from the seller of the product. If the seller compensates for the producer's liability, the seller has the right to recover the compensation from the producer. If the producer compensates for the seller's liability, the producer has the right to recover the compensation from the seller.

Laws and Regulations Concerning Production Safety

The Law of the People's Republic of China on Work Safety

According to the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》, most recently amended by the NPCSC on June 10, 2021, effective September 1, 2021), the State implements a system of accountability for production safety accidents. Production and business operation entities must strengthen work safety management, improve work safety conditions, enhance work safety standardization, and raise the level of work safety. Production and business operation entities shall possess the work safety conditions stipulated by this Law and other relevant laws, administrative regulations, and national or industry standards; those that do not possess the work safety conditions shall not engage in production or other business activities.

Laws and Regulations Concerning Fire Protection

According to the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》, amended by the NPCSC on April 29, 2021, effective the same day), upon completion of construction projects designated by the competent department of housing and urban-rural development under the State Council as requiring fire protection acceptance, the construction entity shall apply for fire protection acceptance from the competent department of housing and urban-rural development. For other construction projects, the construction entity shall report to the competent department of housing and urban-rural development for the record after completion, and the competent department of housing and urban-rural development shall conduct random inspections. Construction projects that are required by law to undergo fire protection acceptance shall not be put into use if they have not undergone acceptance or have failed acceptance. Other construction projects that fail random inspections in accordance with the law shall cease to be used.

Laws and Regulations Concerning Real Estate

Laws and Regulations Concerning Land Use Rights and Real Estate Registration

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》, most recently amended by the NPCSC on August 26, 2019, effective January 1, 2020), the right to use state-owned land can be legally transferred or allocated to construction units or individuals.

According to the Civil Code, the establishment, alteration, transfer and extinction of real property rights, where registration is required by law, shall take effect upon being recorded in the real estate register. The certificate of real property rights is the proof that the right holder enjoys the real property rights.

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》, most recently amended by the State Council on March 10, 2024, effective May 1, 2024) and the Detailed Rules for the Implementation of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》, most recently amended by the Ministry of Natural Resources on May 9, 2024, effective the same day), the State implements a unified real estate registration system. Real estate registration adheres to the principles of strict management, stability and continuity, and convenience for the people. Real estate registration is handled by the real estate registration authority of the county-level or higher people's government where the real estate is located.

Laws and Regulations Concerning Property Leasing

According to the Measures for Administration of Commercial Housing Leasing (《商品房屋租賃管理辦法》, issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010, effective February 1, 2011), within thirty days after the conclusion of a housing lease contract, the lessor and lessee shall go to the construction (real estate) competent department of the people's government at the level of municipality directly under the Central Government, city or county where the leased house is located to register the lease for the record. Failure to complete the relevant lease registration procedures and failure to rectify within the specified period may result in a fine ranging from RMB1,000 to RMB10,000 imposed on the parties to the lease agreement.

According to the Civil Code, the failure of the parties to complete the registration and filing procedures for a lease contract in accordance with laws and administrative regulations shall not affect the validity of the contract.

Laws and Regulations Concerning Environmental Protection

Key Chinese laws and regulations related to environmental protection include: the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》, the "**Environmental Protection Law**", amended April 24, 2014, effective January 1, 2015), 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》, amended June 27, 2017, effective January 1, 2018), the Air 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》, amended October 26, 2018, effective the same day), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》, amended April 29, 2020, effective September 1, 2020), the Administrative Measures for Pollutant Discharge Permits (《排污許可管理辦法》, issued April 1, 2024, effective July 1, 2024), and the Law of the People's Republic of China on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》, issued December 24, 2021, effective June 5, 2022).

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》, amended December 29, 2018, effective the same day), construction entities shall prepare an environmental impact statement, an environmental impact form, or fill out an environmental impact registration form based on the degree of environmental impact caused by the construction project: (i) If it is likely to cause significant environmental impacts, an environmental impact statement shall be prepared for a comprehensive assessment of the potential environmental impacts; (ii) If it is likely to cause minor environmental impacts, an environmental impact form shall be prepared for an analysis or specialized assessment of the potential environmental impacts; and (iii) If the environmental impact is minimal and no environmental impact assessment is required, an environmental impact registration form shall be filled out.

According to the Interim Measures for Completion Acceptance of Environmental Protection for Construction Projects (《建設項目竣工環境保護驗收暫行辦法》, issued November 20, 2017, effective the same day) and the Regulations on the Administration of Environmental Protection for Construction Projects (《建設項目環境保護管理條例》, amended July 16, 2017, effective October 1, 2017), after the completion of a construction project that requires an environmental impact statement or form, the construction entity shall, according to the standards and procedures stipulated by the competent environmental protection administrative department, carry out the completion acceptance inspection for environmental protection and prepare an acceptance report. Construction projects requiring an environmental impact statement or form may only be put into production or use after passing the environmental protection completion acceptance inspection.

According to the Fixed Pollution Source Pollutant Discharge Permit Classification Management Catalogue (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》, issued by the Ministry of Ecology and Environment of the People's Republic of China on December 20, 2019, effective the same day), based on factors such as the amount of pollutants generated and discharged by pollutant discharging entities and their impact on the environment, the State implements key management, simplified management, and registration management for pollutant discharge permits. Entities subject to registration management do not need to apply for a pollutant discharge permit.

Laws and Regulations Concerning Intellectual Property Rights

Patents

Patents in China are primarily protected by the Patent Law of the People's Republic of China (《中華人民共和國專利法》, amended October 17, 2020, effective June 1, 2021), and the Implementing Regulations 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》, issued by the State Council on June 15, 2001; amended December 11, 2023, effective January 20, 2024). According to the Patent Law of the People's Republic of China and its Implementing Regulations, the duration of patent rights for inventions is 20 years, for utility models is 10 years, and for designs is 15 years, all calculated from the date of filing, except where annual patent fees are not paid as prescribed or the patentee declares in writing to abandon the patent right.

Trademarks

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》, amended by the NPCSC on April 23, 2019, effective November 1, 2019) and the Implementing Regulations 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》, amended by the State Council on April 29, 2014, effective May 1, 2014), registered trademarks are those approved for registration by the Trademark Office of the National Intellectual Property Administration, including goods trademarks, service trademarks, collective trademarks, and certification trademarks; trademark registrants enjoy the exclusive right to use registered trademarks, protected by law. The Trademark Law and its Implementing Regulations stipulate that trademark registration applications shall be filed according to the published Classification of Goods and Services. The description of goods or services shall be filled out according to the class numbers and descriptions in the Classification of Goods and Services. If the goods or services are not listed in the Classification, a description of the goods or services shall be appended. The term of validity of a registered trademark is ten years, calculated from the date of approval of registration, except where the Trademark Office revokes the registered trademark. If the registered trademark needs to be continued after the expiration of the validity period, the trademark registrant shall go through renewal procedures as prescribed. The term of validity for each renewal of registration is ten years, calculated from the day following the expiration date of the previous term. If renewal procedures are not completed upon expiration, the registered trademark shall be cancelled.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》, amended by the NPCSC on November 11, 2020, effective June 1, 2021) and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation, and any other rights entitled to the copyright owners.

According to the Regulations on Computer Software Protection (amended by the State Council on January 30, 2013, effective March 1, 2013) and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》, issued by the National Copyright Administration of the PRC on February 20, 2002, effective the same day), Chinese citizens, legal entities or other organizations enjoy copyright in the software which they have developed, including the right of divulgation, the right of developership, the right of alteration, the right of reproduction, the right of distribution, the right of rental, the right of communication through information network, the right of translation and other rights which shall be enjoyed by software copyright owners, regardless of whether such software has been published. The protection period of the software copyright of legal persons or other units shall be 50 years, ending on December 31 of the fiftieth year after the first publication of the software. Software which has not been published for 50 years since the date of completion of software development shall not be under protection.

Exclusive Right of Layout-Design of Integrated Circuits

According to the Regulations on the Protection of Layout-Design of Integrated Circuits (《集成電路佈圖設計保護條例》, promulgated by the State Council on April 2, 2001, effective October 1, 2001), natural persons, legal persons, or other organizations that create layout-designs in China shall enjoy the exclusive right of the layout-designs they create. Such exclusive rights may also be enjoyed by foreign natural persons whose layout-designs are first commercially exploited within the territory of China. The term of protection for the exclusive right of a layout-design shall be 10 years, calculated from the date of filing the application for registration of the layout-design or from the date of its first commercial exploitation anywhere in the world, whichever expires earlier. However, regardless of whether the layout-design has been registered or commercially exploited, it shall no longer be protected under these Regulations 15 years after the date of the completion of its creation.

Domain Names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》, issued by the MIIT on August 24, 2017, effective November 1, 2017), adopts the "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

Laws and Regulations Concerning Employment, Social Insurance, and Housing Provident Fund

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》, the "**Labor Law**", amended by the NPCSC on December 29, 2018, effective the same day), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》, the "**Labor Contract Law**", amended December 28, 2012, effective July 1, 2013), and the Implementing Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》, issued by the State Council on September 18, 2008, effective the same day), employers must conclude written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Employers must establish labor safety and health systems, strictly implement national standards, and provide relevant education to employees. Violations of the Labor Contract Law and the Labor Law may lead to fines, and in serious cases, other administrative penalties and criminal liability where a crime is constituted.

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》, amended by the NPCSC on December 29, 2018, effective the same day) and the Interim Regulations on the Collection of Social Insurance Premiums (《社會保險費徵繳暫行條例》, amended by the State Council on March 24, 2019, effective the same day), employers must contribute to social insurance programs for their employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, and work-related injury insurance. If an employer fails to pay social insurance premiums on time and in full, the social insurance premium collection agency shall order it to pay or make up the deficiency within a specified time limit, and impose a late payment fee of 0.05% per day calculated from the date of default; if the employer still fails to pay after the time limit, the relevant administrative department shall impose a fine of not less than one time nor more than three times the amount in default.

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》, amended by the State Council on March 24, 2019, effective the same day), employers must contribute housing provident funds for their employees. If an employer defaults on contributions or makes insufficient contributions, the housing provident fund management center shall order it to make up the contributions within a specified time limit; if it still fails to contribute after the time limit, the center may apply to the people's court for enforcement. Each employee may only have one housing provident fund account. The contribution ratios for both employees and employers shall not be less than 5% of the employee's average monthly wage of the previous year; cities that are in a position to do so may appropriately increase the contribution ratio.

The Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in 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)》) was issued on July 31, 2025 and became effective on September 1, 2025. The Interpretation addresses widespread practices such as subcontracting, labor dispatch, affiliated employment arrangements, commingled employment relationships, and non-payment of social insurance contributions. It seeks to regulate unlawful conduct whereby contractors, host entities in affiliated arrangements, and related companies evade liabilities by shifting responsibilities amongst themselves or onto entities lacking genuine repayment capacity. The Interpretation also aims to safeguard the fundamental rights and interests of workers, including their entitlements to remuneration, occupational safety and health protections, and social insurance benefits.

Laws and Regulations Concerning Taxation

EIT

According to 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》, the "**EIT Law**", amended by the NPCSC on December 29, 2018, effective the same day) and the Implementing Regulations 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》, amended by the State Council on December 6, 2024, effective January 20, 2025), enterprises are categorized as resident enterprises and non-resident enterprises. An enterprise established in China under Chinese law, or an enterprise established under the law of a foreign country (region) but whose "effective management institution" is located within China is deemed a "resident enterprise" and shall pay EIT at a rate of 25% on its worldwide income.

High and new technology enterprises that are in need of key State support shall be subject to a reduced EIT rate of 15%. According to the Notice on Promulgation of Several Policies for Promoting High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era (《關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》, issued by the State Council on July 27, 2020, effective the same day), nationally encouraged key integrated circuit design enterprises and software enterprises are exempt from corporate income tax for the first to fifth years starting from the first profit-making year, and are subject to corporate income tax at a reduced rate of 10% in subsequent years.

According to the Announcement on Increasing the Proportion of Additional Tax-deductible R&D Costs of Integrated Circuit and Industrial Machine Tool Enterprises (《關於提高集成電路和工業母機企業研發費用加計扣除比例的公告》, jointly issued by the MOF, the SAT, the NDRC and the MIIT on September 12, 2023, effective the same day), for the R&D expenses actually incurred by an integrated circuit enterprise when it conducts any R&D activity, where such expenses have not been capitalized into intangible assets and are accounted for as current profit and loss, in addition to the deduction thereof as per the actual amount incurred, an additional 120% of such expenses shall be deductible before tax during the period from January 1, 2023 to December 31, 2027; where such expenses have been capitalized into intangible assets, the amortization thereof before tax shall be calculated at 220% of the costs of such intangible assets during the aforementioned period.

VAT

According to the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例》, amended by the State Council on November 19, 2017, effective the same day) and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》, amended by the Ministry of Finance on October 28, 2011, effective November 1, 2011), entities and individuals that sell goods or engage in processing, repair and replacement services, sell services, intangible assets, immovable property, or import goods within the territory of the People's Republic of China are VAT taxpayers. Unless otherwise stipulated, the tax rate for taxpayers selling goods, labor services, leasing services for tangible movable property, or importing goods is 17%.

According to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》, issued by the NPCSC on December 25, 2024, effective January 1, 2026) (after which the Provisional Regulations of the People's Republic of China on Value-Added Tax will be abolished), entities and individuals (including individual businesses) that sell goods, services, intangible assets, immovable property, or import goods within the territory of the People's Republic of China are VAT taxpayers and shall pay VAT in accordance with this Law.

According to the Circular on Adjusting the Value-Added Tax Rates (《關於調整增值税税率的通知》, issued by the Ministry of Finance and the State Taxation Administration on April 4, 2018, effective May 1, 2018), for VAT taxable sales activities by taxpayers originally subject to the 17% rate, the rate was adjusted to 16%. According to the Announcement on Policies Related to Deepening VAT Reform (《關於深化增值税改革有關政策的公告》, issued by the Ministry of Finance, the State Taxation Administration, and the GACC on March 20, 2019, effective April 1, 2019), for general VAT taxpayers engaging in VAT taxable sales activities or importing goods originally subject to the 16% rate, the rate was adjusted to 13%.

According to the Notice on the Additional Value-Added Tax Credit Policy for Integrated Circuit Enterprises (《關於集成電路企業增值税加計抵減政策的通知》, issued by the MOF and the SAT on April 20, 2023, effective January 1, 2023), integrated circuit enterprises engaged in design, production, packaging and testing, equipment manufacturing, and materials production are allowed, for the period from January 1, 2023 to December 31, 2027, to credit an additional 15% of the amount of input VAT creditable in the current period against the amount of VAT payable.

Laws and Regulations Concerning Dividend Distribution

According to the Company Law, when distributing the after-tax profit of the current year, a company shall allocate 10% of the profit to the company's statutory reserve fund. The company may cease allocation when the cumulative amount of the company's statutory reserve fund reaches 50% or more of the company's registered capital. If the company's statutory reserve fund is insufficient to make up the losses of the previous year, the company shall use the current year's profit to make up the losses before allocating to the statutory reserve fund as stipulated in the preceding paragraph. After the company makes up the losses and allocates to the reserve fund, the remaining after-tax profit shall be distributed by a joint stock limited company proportionally to the shares held by the shareholders, unless otherwise stipulated in the company's articles of association.

According 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税和防止偷漏税的安排》) and related protocols (signed August 21, 2006, effective December 8, 2006), if a Hong Kong enterprise directly holds not less than 25% of the equity of a Chinese company, the dividends distributed shall be taxed at a rate of 5%; otherwise, the dividend shall be subject to 10% income tax.

According to the Administrative Measures for Non-Resident Taxpayers Enjoying Treaty Benefits (《非居民納税人享受協定待遇管理辦法》, issued by the State Taxation Administration on October 14, 2019, effective January 1, 2020), non-resident taxpayers enjoying treaty benefits shall adopt the method of "self-assessment, declaration for enjoyment, and retention of relevant materials for future inspection". Non-resident taxpayers who determine on their own that they meet the conditions for enjoying treaty benefits may enjoy the treaty benefits during tax filing, or through the withholding agent during withholding filing, while collecting and retaining relevant materials for future inspection in accordance with these Measures and accepting subsequent administration by the tax authorities.

Laws and Regulations Concerning Foreign Exchange

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》, revised by the State Council on August 5, 2008, effective the same day), the foreign exchange receipts and payments or foreign exchange business activities of domestic institutions and domestic individuals, as well as the foreign exchange receipts and payments or foreign exchange business activities of overseas institutions and overseas individuals within the territory of China, are subject to these regulations.

According to the Notice on Reforming and Regulating the Policies on the Settlement of Capital Account Foreign Exchange Income (《關於改革和規範資本項目結匯管理政策的通知》, issued by the SAFE on June 9, 2016, effective the same day), it has been clearly stipulated that the capital account foreign exchange income subject to the voluntary settlement policy (including foreign capital, foreign debt funds and repatriated funds from overseas listings, etc.) can be settled at banks based on the actual business needs of domestic institutions. Where the current regulations impose restrictions on the settlement of capital account foreign exchange income of domestic institutions, such regulations shall prevail. The voluntary settlement ratio of capital account foreign exchange income of domestic institutions is temporarily set at 100%. The SAFE may adjust the above ratio in a timely manner in light of the international payments situation.

According to the Notice on Further Promoting the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》, issued by the SAFE on October 23, 2019, effective the same day), and the Notice on Further Deepening Reform to Promote the Facilitation of Cross-border Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》, issued on December 4, 2023, effective the same day), non-investment-oriented foreign-invested enterprises are allowed to settle foreign exchange funds in RMB and use RMB capital for domestic equity investment, provided that they do not violate the current Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) and the domestic investment projects are genuine and compliant.

According to the Notice on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Businesses (《關於優化外匯管理支持涉外業務發展的通知》, issued by the SAFE on April 10, 2020, effective the same day), under the premise of ensuring the authenticity and compliance of fund usage and in line with the current regulations on the use of capital project income, qualified enterprises are allowed to use capital funds, foreign debts, and income from overseas listings and other capital project income for domestic payments without having to provide authenticity proof materials to the bank on a case-by-case basis in advance. Relevant banks must conduct post-event spot checks in accordance with relevant regulations.

The Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》, issued by the SAFE on November 19, 2012, effective December 17, 2012) has greatly simplified the previous foreign exchange approval procedures, and cancelled the approval for opening and crediting foreign exchange accounts under direct investment. Banks will handle the account opening procedures for the account opening entities based on the registration information in the relevant business systems of the foreign exchange administration.

The Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》, revised by the SAFE on February 13, 2015, effective June 1, 2015) has abolished the administrative approval item of foreign exchange registration for overseas direct investment. Instead, banks directly review and handle the foreign exchange registration for overseas direct investment. The SAFE and its branches implement indirect supervision over the foreign exchange registration for direct investment through banks.

Laws and Regulations Concerning Overseas Listings

According to the Securities Law of the People's Republic of China (《中華人民共和國證券法》, the "**PRC Securities Law**", revised by the NPCSC on December 28, 2019, effective March 1, 2020), it comprehensively regulates activities in the securities market within the territory of China, including the issuance and trading of securities, the acquisition of listed companies, information disclosure, investor protection, securities trading venues, securities companies, securities registration and settlement institutions, securities service institutions, the securities industry association and securities regulatory authorities, etc. The PRC Securities Law further stipulates that domestic enterprises directly or indirectly issue securities abroad or list and trade their securities abroad shall comply with the relevant regulations of the State Council. For domestic companies whose stocks are subscribed and traded in foreign currencies, specific measures shall be separately prescribed by the State Council.

According to the Trial Measures for the Administration of the Issuance and Listing of Securities by Domestic Enterprises Abroad (《境內企業境外發行證券和上市管理試行辦法》, the "**Trial Measures for Overseas Listing**", issued by the China Securities Regulatory Commission (the "**CSRC**") on February 17, 2023, effective March 31, 2023), domestic enterprises in China that directly or indirectly issue stocks or list abroad shall file with the CSRC within three working days after submitting the application documents for issuance and listing abroad. In addition, domestic enterprises are prohibited from offering and listing securities overseas under any of the following circumstances: (i) where the issuance and listing abroad are prohibited by Chinese laws; (ii) where the issuance and listing abroad may endanger national security as determined by the relevant competent departments of the State Council of China in accordance with the law; (iii) where the domestic enterprise or its controlling shareholder or actual controller has been convicted of a crime in the past three years; (iv) where the domestic enterprise is under investigation for suspected crimes or major violations of laws and regulations and no clear conclusion has been reached; or (v) where there are major disputes over the ownership of the shares held by the controlling shareholder or the shareholder controlled by the controlling shareholder or actual controller.

According to the Regulations on Strengthening the Confidentiality and Archival Management of Overseas Securities Issuance 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 "**Archival Regulations**", issued by the CSRC, the Ministry of Finance, the State Secrecy Bureau and the National Archives Administration on February 24, 2023, effective March 31, 2023), domestic enterprises and the securities companies and securities service institutions providing corresponding services in the activities of direct or indirect overseas securities issuance or listing by domestic enterprises shall strictly abide by the relevant requirements for confidentiality and archival management, establish and improve confidentiality and archival management systems, take necessary measures to fulfill the responsibilities for confidentiality and archival management, and shall not disclose state secrets or work secrets of state organs, nor shall they harm the interests of the State and the public.

Domestic enterprises that provide or publicly disclose documents and materials involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities, or individuals, or provide or publicly disclose such documents and materials through their overseas listed entities, etc., shall report to the competent authorities with approval authority for approval in accordance with the law and file with the administrative department for confidentiality at the same level. Domestic enterprises that provide or publicly disclose other documents and materials that would cause adverse effects on national security or public interests if leaked to relevant securities companies, securities service institutions, overseas regulatory authorities, or individuals, or provide or publicly disclose such documents and materials through their overseas listed entities, etc., shall strictly follow the corresponding procedures in accordance with relevant state regulations.

LAWS, REGULATIONS AND POLICIES IN SINGAPORE

Foreign Investments, Repatriation of Profits and Dividends

Foreign investments in Singapore are governed primarily by industry-specific laws and regulations. To this end, save for certain specified regulated sectors such as media, banking and finance, there are generally no legal restrictions under Singapore law on the nationality of shareholders or on the percentage of local or foreign shareholding in a Singapore-incorporated company. Further, aside from certain prescribed notification obligations under the Companies Act 1967 of Singapore (the "**Companies Act**"), there are also no legal restrictions with respect to the nationality of the ultimate beneficial owners of a Singapore incorporated company under Singapore law.

With respect to foreign exchange controls in Singapore, although the Exchange Control Act 1953 of Singapore (the "**Exchange Control Act**") imposes certain exchange control restrictions, the Monetary Authority of Singapore has, since 1978, exempted all persons from the provisions of the Exchange Control Act. Consequently, there are currently no foreign exchange control restrictions in Singapore. Nevertheless, it should be noted that with effect from 1 January 2024, gains from the sale or disposal of moveable or immovable property situated outside Singapore on or after 1 January 2024 that are received by an entity of a relevant group in Singapore from outside Singapore, will be treated as income chargeable to tax under section 10(1)(g) of the Income Tax Act 1947 of Singapore.

In terms of the issuance of dividends, pursuant to section 403(1) of the Companies Act, no dividend shall be payable except out of the profits available for distribution. This may further be subject to any requirements or restrictions provided for under a company's constitution or shareholders' agreement (if any). In view that Singapore has adopted a one-tier corporate tax system pursuant to which tax paid by a Singapore resident company on its corporate profits is a final tax, dividends payable by a Singapore resident company to its shareholders are exempt from Singapore income tax in the hands of the shareholders. Further, there is generally no withholding tax on such dividend payments to both resident and non-resident shareholders.

Labor and Employment

Employment Act 1968

The Employment Act 1968 of Singapore (the "**EA**") is administered by the Ministry of Manpower (the "**MOM**") and sets out the fundamental rights and obligations of employers and employees in Singapore. In addition to the subsidiary regulations, the EA operates alongside other key employment-related statutes such as the Employment of Foreign Manpower Act 1990 of Singapore (in relation to foreign employees), the Workplace Fairness Act 2025 and the Workman Compensation Act 2019 of Singapore, amongst others. As a general rule, pursuant to section 2 of the EA, an "employee" covered under the EA is an employee who "*has entered into or works under a contract of service with an employer*" and includes workmen (as defined under Part IV section 35 of the EA). It should be noted, however, that not all provisions on the EA are applicable to all employees or employers who fall within the ambit of an "employee". To this end, Part IV of the EA, which governs specific rest days, hours of work, overtime, holidays and other conditions of service, applies only to the following categories of employees:

(a) workmen who are in receipt of a salary not exceeding S$4,500 a month; and

(b) every employee (other than a workman or a person employed in a managerial or an executive position) who receives a salary not exceeding S$2,600 a month,

in each case, excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described. Notwithstanding the foregoing, the EA prescribes the minimum statutory entitlements of all employees relating to annual leave, paid public holidays and paid sick leave, as well as statutory protections against wrongful dismissal. In particular, the leave entitlements as prescribed under Part 10 of the EA are mandatory for any employee that falls within the ambit of the EA and cannot be contracted out of. To this end, pursuant to section 90 of the EA, wherein the terms of a contract of service contravenes the provisions of Part 10 of the EA or where an employer fails to pay the salary due in accordance with the provisions of Part 10 of the EA, such employer commits an offence under the EA and shall be liable on first conviction to a fine not exceeding S$5,000.

Central Provident Fund

The central provident fund (the "**CPF**"), regulated under the Central Provident Fund Act 1953 of Singapore (the "**CPF Act**"), is a mandatory social security savings scheme funded by contributions from employers and employees (Singapore Citizens and Permanent Residents only) and is considered a key pillar in Singapore's social security system to meet the retirement, housing and healthcare needs of Singapore Citizens and Permanent Residents. CPF contribution rates are dependent on the age of the employee and can range from 12.5% to 37% of one's monthly wages (as prescribed under the First Schedule of the CPF Act). Specifically, section 9 of the CPF Act provides that where an employer fails to make the requisite contributions for any calendar month by the prescribed date, the employer shall be liable to pay interest on the outstanding amount for every day the amount remains unpaid at a rate of 1.5% per month or the sum of S$5, whichever results in the higher total interest payable.