OVERVIEW OF THE LAWS AND REGULATIONS IN THE PRC

Regulations Relating to Foreign Investment

The establishment, operation and management of PRC-incorporated entities are governed by the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) (the "PRC Company Law"). The PRC Company Law was promulgated by the Standing Committee of the National People's Congress (the "NPCSC") on December 29, 1993, and was most recently amended on December 29, 2023 and became effective from July 1, 2024, applying to all companies established in China, including wholly foreign-owned enterprises, unless otherwise provided by laws related to 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》) promulgated by the National People's Congress (the "NPC") on March 15, 2019 establishes the basic regulatory framework for foreign investment. This law came into effect on January 1, 2020. The Law stipulates that: (1) foreign natural persons, enterprises or other organizations (collectively referred to as "foreign investors") are prohibited from investing in sectors which are specified in the Negative List for Foreign Investment Access (the "Negative List") as "prohibited" for foreign investment; (2) sectors which are specified in the Negative List as "restricted" for foreign investment, foreign investors shall comply with the conditions set out in the Negative List when making investments; (3) sectors outside the Negative List shall be administered under the principle of "equal treatment for both domestic and foreign investments".

According to the *Measures for the Information Reporting of Foreign Investment* (《外商投資信息報告辦法》) promulgated by the Ministry of Commerce of the PRC (the "MOFCOM") and the State Administration for Market Regulation of the PRC (the "SAMR") on December 30, 2019 and effective from January 1, 2020, the specific requirements of the foreign investment information reporting system are clarified. Where a foreign investor makes an investment directly or indirectly within the territory of China, the foreign investor or the foreign-invested enterprise shall report investment information to the competent commerce department through the enterprise registration system and the enterprise credit information public announcement system in accordance with these Measures.

According to the *Implementation Rule for the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法實施條例》) promulgated by the State Council of the PRC (the "State Council") on December 26, 2019 and effective from January 1, 2020, the State shall, in accordance with the needs of the national economy and social development, formulate an industry catalog encouraging foreign investment, specifying the specific industries, fields and regions where foreign investors are encouraged and guided to invest.

According to the *Measures for the Security Review of Foreign Investment* (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investment that affects or may affect national security is subject to security review in accordance with the provisions of these Measures. Within the following scope of foreign investment, foreign investors or relevant domestic parties shall proactively file an application with the Office of the Working Mechanism before making an investment: (1) investment in areas related to national defense security such as military industry, military supporting industries, and investment in the periphery of military installations and military industrial 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 areas that are related to national security, and obtaining actual control over the invested enterprise.

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)》) promulgated by the National Development and Reform Commission (the "NDRC") and the MOFCOM on September 6, 2024 and effective from November 1, 2024, industries not listed in the Negative List are generally deemed as permitted for foreign investment. Pursuant to the above list, the industry in which the Company operates is not a restricted or prohibited industry for foreign investment.

According to the *Industry Catalog Encouraging Foreign Investment (2025 Edition)* (《鼓勵外商投資產業目錄(2025年版)》) promulgated by the NDRC and the MOFCOM on December 15, 2025 and effective from February 1, 2026, in accordance with the needs of the national economy and social development, foreign investors are encouraged and guided to invest in specific industries, fields and regions. The Company's IC substrates business is within the scope of industries encouraged for foreign investment.

Laws, Regulations and Policies Relating to the Integrated Circuit Industry

The primary regulatory authority for the Company's industry is the Ministry of Industry and Information Technology of the PRC (the "MIIT"). Its main responsibilities include: formulating industry development strategies, plans and industrial policies; formulating technical standards, guiding technological innovation and progress in the industry; organizing the implementation of key national science and technology projects, and promoting the industrialization of scientific and technological achievements.

On October 10, 2010, the State Council issued the *Decision of the State Council on Accelerating the Cultivation and Development of Strategic Emerging Industries* (《國務院關於加快培育和發展戰略性新興產業的決定》), stipulating vigorous development of core basic industries such as integrated circuits, new displays, high-end software and high-end servers.

On January 28, 2011, the State Council issued the *Several Policies for Further Encouraging the Development of the Software Industry and the Integrated Circuit Industry* (《進一步鼓勵軟件產業和集成電路產業發展的若干政策》), making efforts to fully utilize multiple funding channels to further increase support for technological innovation; fully leverage the leading role of major national science and technology projects, vigorously support the research and development of major key technologies for software and integrated circuits, strive for overall breakthroughs in key technologies, accelerate the promotion of industrialization and independent intellectual property technologies; focus on the goal of cultivating strategic emerging industries, support the research and development of basic software, next-generation information network high-end software, industrial software, digital content software, high-end chips, integrated circuit equipment and integrated circuit process technology, key materials for integrated circuits, key application systems, as well as the formulation of important technical standards.

On June 24, 2014, the State Council issued the *National Outline for the Development of the Integrated Circuit Industry* (《國家集成電路產業發展推進綱要》), pointing out that the development goal of the IC industry is to reach internationally advanced levels in the main segments of the IC industry chain by 2030, with a number of enterprises entering the international first tier, achieving leapfrog development. The main tasks and development priorities are to focus on developing the IC design industry, strengthen the IC design, software development, system integration, content and service collaborative innovation around the industrial chain of key areas, and drive manufacturing development through the rapid growth of the design industry.

On November 29, 2016, the State Council issued the *"13th Five-Year" National Strategic Emerging Industries Development Plan* (《"十三五"國家戰略性新興產業發展規劃》), initiating a planning project for major productivity layout in integrated circuits, implementing a number of leading projects, and promoting rapid leaps in industrial capacity. Accelerate the construction of production lines for advanced manufacturing processes, memory, specialty processes, etc., enhance the design and development capabilities and application levels of key products such as secure and reliable CPUs, digital-to-analog/analog-to-digital converter chips, digital signal processing chips, and promote the rapid development of packaging and testing, key equipment and materials industries. Support the improvement of service levels of foundries and third-party IP core companies, support collaborative innovation between design companies and manufacturing companies, and promote increased industrial concentration in key links. Promote collaborative innovation in the semiconductor display industry chain.

On 25 January 2017, the National Development and Reform Commission (the "NDRC") issued the Catalog of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》), setting out 174 sub-directions under 40 key areas across eight industries within five major sectors, covering nearly 4,000 specific products and services, including: IC chip packaging.

On July 27, 2020, the State Council issued the *Several Policies for the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era* (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), encouraging the development of IC material enterprises and providing policy support in areas such as fiscal and taxation, investment and financing, research and development, import and export, talent, and intellectual property.

On December 11, 2020, the MOF, the State Taxation Administration of the PRC (the "STA"), the NDRC, and the MIIT jointly issued the *Announcement on Corporate Income Tax Policies to Promote the High-Quality Development of the Integrated Circuit and Software Industries* (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》), stipulating that for nationally encouraged IC design, equipment, materials, packaging, testing enterprises and software enterprises, the enterprise income tax will be exempted for the first to second years starting from the profitable year, and the enterprise income tax will be halved at the statutory tax rate of 25% for the third to fifth years.

On March 11, 2021, the NPC adopted the *14th Five-Year (2021–2025) 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(2021–2025年)規劃和2035年遠景目標綱要》), which proposes that the state shall focus on nurturing advanced manufacturing clusters and promoting the innovative development of the integrated circuit industry and other industries.

On December 27, 2023, the NDRC issued the *Industry Structure Adjustment Guidance Catalog (2024 Edition)* (《產業結構調整指導目錄(2024年本)》), where encouraged categories include: high-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, rigid-flex printed circuit boards and packaging substrates, which are technologies, equipment and products that play a significant role in promoting economic and social development. The Catalog sets forth the need to accelerate the establishment of an intelligent, green and integrated modern industrial system that meets the requirements of completeness, advancement and security.

In April 2023, the MOF and the STA jointly issued the *Notice of the Ministry of Finance and the State Taxation Administration on the VAT Super Deduction Policy for Integrated Circuit Enterprises* (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》), allowing enterprises engaged in IC design, production, packaging and testing, equipment and materials, from January 1, 2023 to December 31, 2027, to deduct 15% of the current period's deductible input VAT against the output VAT payable.

On March 13, 2026, the NPC adopted the *15th Five-Year Plan for National Economic and Social Development of the PRC* (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》), which proposes focusing on strategic areas of contest and weak links in the industrial chain and supply chain, taking unconventional measures to promote, across the entire chain, decisive breakthroughs in the research and development of key core technologies in key areas including integrated circuits.

Laws and Regulations Relating to the Import and Export of Goods

According to the *Foreign Trade Law of the PRC* (《中華人民共和國對外貿易法》) promulgated by the NPCSC on May 12, 1994 and most recently amended on December 27, 2025, and the *Regulations of the PRC on the Administration of Import and Export of Goods* (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024 and effective from May 1, 2024, except for goods whose import or export is explicitly prohibited or restricted by laws or administrative regulations, the State Council permits the free import and export of goods, maintaining a fair, free and orderly import and export trade order. At the same time, the requirement for foreign trade operators engaging in the import or export of goods or technologies to complete registration and filing with the competent foreign trade department of the State Council or its authorized institution has been abolished.

According to the *Customs Law of the PRC* (《中華人民共和國海關法》) promulgated by the NPCSC on January 22, 1987 and amended on April 29, 2021, the customs is the state's supervisory and administrative organ for entry into and exit from the customs territory ("entry-exit"), responsible for supervising and controlling, in accordance with the law, means of transport, goods, baggage items, postal items and other articles entering or exiting the territory, collecting customs duties and other taxes and fees, suppressing smuggling, compiling customs statistics and handling other customs affairs. Unless otherwise specified, the declaration and payment of customs duties for imported and exported goods can be handled by the consignee or consignor of the import/export goods or by entrusting a customs declaration enterprise. Consignees, consignors of import/export goods, and customs declaration enterprises shall, in accordance with the law, complete customs declaration filing procedures with the relevant customs.

According to the *Law of the PRC on the Inspection of Import and Export Commodities* (《中華人民共和國進出口商品檢驗法》) promulgated by the NPCSC on February 21, 1989 and most recently amended on April 29, 2021, and the *Regulations on the Implementation of the Import and Export Commodity Inspection Law of the PRC* (《中華人民共和國進出口商品檢驗法實施條例》) amended by the State Council on March 29, 2022 and effective from May 1, 2022, the General Administration of Customs of the PRC (the "GAC") is in charge of the inspection of import and export commodities nationwide. The entry-exit inspection and quarantine authorities and their branches (the "entry-exit inspection and quarantine authorities") established by the GAC in provinces, autonomous regions, municipalities directly under the central government, as well as ports and distribution centers for import and export commodities, are responsible for the administration of the inspection of import and export commodities within their respective jurisdictions. The consignor of export goods subject to statutory inspection shall, at the place and within the time limit uniformly prescribed by the GAC, present the necessary documents such as contracts and relevant approval documents to the entry-exit inspection and quarantine authorities for inspection application. Export goods subject to statutory inspection that have not been inspected or have failed inspection are not permitted to be exported.

According to the *Provisions of the GAC on the Filing Administration of Customs Declaration Units* (《中華人民共和國海關報關單位備案管理規定》) promulgated by the GAC on November 19, 2021 and effective from January 1, 2022, consignees, consignors of imported or exported goods, or customs declaration enterprises only need to apply for filing with the customs, and no longer need to register with the GAC. Filing information will be made public through the China Customs Enterprise Import and Export Credit Information Publicity Platform.

Laws, Regulations and Policies Relating to Outbound Investment

According to the *Measures for the Administration of Outbound Investment by Enterprises* (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and effective from March 1, 2018, investment activities such as obtaining ownership or management rights of overseas enterprises or assets constitute outbound investment. Investment entities shall, according to the specific circumstances of outbound investment, go through approval or filing procedures, report relevant information, and cooperate with supervision and inspection. Development and reform departments at all levels are the supervisory and administrative authorities for outbound investment.

According to the *Measures for the Administration of Outbound Investment* (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and effective from October 6, 2014, enterprises established within the territory of China that, through new establishment, merger and acquisition, or other means, own non-financial enterprises overseas or obtain the ownership, control, management rights, and other rights and interests of existing non-financial enterprises overseas shall, depending on the specific circumstances, go through filing or approval procedures. Commerce departments at all levels are the supervisory authorities for outbound investment management.

According to the *Regulations of the PRC on Foreign Exchange Administration* (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Regulations") promulgated by the State Council on January 29, 1996, amended on August 1, 2008 and effective from August 5, 2008, and the Provisions on the Administration of Foreign Exchange for Direct Outbound Investment by Domestic Institutions promulgated by the State Administration of Foreign Exchange (the "SAFE") on July 13, 2009 and effective from August 1, 2009, foreign exchange administrative authorities at all levels are the supervisory and administrative authorities for foreign exchange administration. After a domestic institution's direct outbound investment has been filed or approved by the competent outbound investment department, it shall go through foreign exchange registration for direct outbound investment with the local SAFE branch, explaining the sources of foreign exchange funds for the outbound investment. Furthermore, according to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investment promulgated by the SAFE on February 13, 2015 and effective from June 1, 2015, the foreign exchange registration for direct outbound investment is directly reviewed and processed by Chinese-funded foreign exchange designated banks, while the SAFE and its branches implement indirect supervision over direct investment foreign exchange registration through banks.

According to the Provisions of the State Council on Outward Investment （《國務院關於對外投資的規定》）promulgated by the State Council on May 5, 2026, and effective from July 1, 2026, when conducting outward investment, investors shall not directly export or use, nor transfer through any disguised means such as cross-border dispatch of personnel, provision of guidance, or arrangement of training, any goods, technologies, services, and related data that are prohibited or restricted from export without permission by the State; meanwhile, outward investments as well as the transfer and disposal of related assets that affect or may affect national security must undergo national security review in accordance with the law. During this process, relevant organizations and individuals shall assist and cooperate, shall not refuse or hinder in any way, and must strictly comply with and implement the review decisions.

Laws and Regulations Relating to Foreign Exchange Administration

The *Foreign Exchange Regulations*《外匯管理條例》stipulate that the RMB is freely convertible under current account items. Conversion of RMB for capital account items requires approval from the SAFE. Foreign-invested enterprises may, in accordance with the law, convert their foreign exchange capital contributions into RMB for domestic investment.

The *Notice of the SAFE on Issues Concerning the Administration of Foreign Exchange for Overseas Listings* (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 stipulates that the SAFE and its branches and foreign exchange administration departments shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, and currency conversion related to the overseas listing of domestic companies. A domestic company shall, within 15 working days after the completion of the overseas listing issuance, submit relevant materials to the local SAFE branch where it is registered to complete the overseas listing registration.

The *Notice of the SAFE on Further Deepening Reforms to Facilitate 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 by the SAFE on June 9, 2016 stipulates that foreign exchange funds raised by domestic enterprises from overseas listings can be directly remitted into their capital account settlement accounts, and funds within the capital account settlement accounts can be used for independent settlement in RMB.

Laws and Regulations Relating to Land, Planning and Construction Permits

Land Use Rights

According to the *Land Administration Law of the PRC* (《中華人民共和國土地管理法》) promulgated by the NPCSC on June 25, 1986, most recently amended on August 26, 2019 and effective from January 1, 2020, the *Interim Regulations on Real Estate Registration* (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, most recently amended on March 10, 2024 and effective from May 1, 2024, and other regulations, land owned by the State may be allocated or granted by law, and changes in real property rights must be registered to take effect.

Land Use Planning Permit

According to the *Urban and Rural Planning Law of the PRC* (《中華人民共和國城鄉規劃法》) (the "*Urban and Rural Planning Law*") promulgated by the NPCSC on October 28, 2007, most recently amended and effective from April 23, 2019, entities that have legally obtained state-owned land use rights must obtain this permit; otherwise, the approval document will be revoked, and the land should be returned.

Construction Project Planning Permit

According to the *Urban and Rural Planning Law* (《城鄉規劃法》), applying for this permit is required for construction within an urban planning area. Construction without a permit will face fines, demolition, and other penalties.

Construction Permit

According to the *Construction Law of the PRC* (《中華人民共和國建築法》) (the "*Construction Law*") promulgated by the NPCSC on November 1, 1997, most recently revised and effective from April 23, 2019, and the *Regulations on the Administration of Construction Project Quality* (《建設工程質量管

理條例》) promulgated by the State Council on January 30, 2000, most recently amended and effective from April 23, 2019, a construction permit must be applied for before construction commences. Construction without a permit will result in an order to stop work and a fine.

Completion Acceptance Filing

According to the *Construction Law* and the *Regulations on the Administration of Construction Project Quality*, after project completion, acceptance must be passed and filing completed. Unauthorized delivery for use without acceptance or failing inspection will result in fines and compensation for losses.

Laws and Regulations Relating to Property Leasing

According to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》) promulgated by the NPCSC on July 5, 1994, most recently amended on August 26, 2019 and effective from January 1, 2020, the lessor and lessee must sign a written lease contract for property leasing, including clauses such as the lease term, usage, rent, and maintenance responsibilities and other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

Furthermore, according to the *Measures for the Administration of Commercial Housing Leasing* (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and effective from February 1, 2011, within 30 days after the conclusion of a commercial housing lease contract, the parties to the lease shall go through commercial housing lease registration with the construction (real estate) administrative department of the municipality directly under the central government or the city or county people's government where the leased property is located. Individuals or units violating the above provisions may be ordered by the competent construction (real estate) authority of the municipality directly under the central government, city or county people's government to rectify within a specified period.

Laws and Regulations Relating to Environmental Protection

According to the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) promulgated by the NPCSC on December 26, 1989, most recently amended on April 24, 2014 and effective from January 1, 2015, the *Law of the PRC on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》) promulgated on October 28, 2002, most recently amended and effective from December 29, 2018, and the *Regulations on the Administration of Environmental Protection for Construction Projects* (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, most recently amended on July 16, 2017 and effective from October 1, 2017, the State implements classified management for environmental impact assessment of construction projects based on the degree of environmental impact; the construction unit shall prepare an environmental impact report, an environmental impact report form, or fill out an environmental impact registration form according to relevant regulations. If the environmental impact assessment documents for a construction project have not been reviewed by the competent approval department according to law or have been reviewed but not approved, the construction unit shall not commence construction.

According to the *Measures for the Administration of Pollutant Discharge Permits* (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment of the PRC (the "MEE") on April 1, 2024 and effective from July 1, 2024, the *Regulations on the Administration of Pollutant Discharge Permits* (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, and the *Catalog of Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition)* (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated and effective from December 20, 2019 by the MEE, the State implements key administration, simplified administration, and registration management for pollutant discharge permits based on factors such as the amount of pollutants generated, the amount discharged, and the degree of environmental impact. Enterprises, public institutions, and other business operators subject to pollutant discharge permit management must discharge pollutants in accordance with the requirements of the pollutant discharge permit; those without a pollutant discharge permit must not discharge pollutants. The competent environmental protection authorities impose various administrative penalties on individuals or enterprises that violate the Environmental Protection Law; pollutant discharge units subject to registration management are not required to apply for a pollutant discharge permit.

Laws and Regulations Relating to Energy Conservation

According to the *Energy Conservation Law of the PRC* (《中華人民共和國節約能源法》) promulgated by the NPCSC on November 1, 1997, most recently amended and effective from October 26, 2018, and the *Measures for Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects* (《固定資產投資項目節能審查和碳排放評價辦法》) promulgated by the NDRC on July 17, 2025 and effective from September 1, 2025, the State implements an energy conservation assessment and review system, and projects that fail the energy conservation review must not commence construction or be put into use.

Laws and Regulations Relating to Data, Network and Information Security

These include the *Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016, most recently amended on October 28, 2025 and effective from January 1, 2026; the *Data Security Law of the PRC* (《中華人民共和國數據安全法》) promulgated on June 10, 2021 and effective from September 1, 2021; the *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》) promulgated on August 20, 2021 and effective from November 1, 2021; the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) jointly issued by the Cyberspace Administration of China (the "CAC"), the NDRC, the MIIT, and other ministries on November 16, 2021 and effective from February 15, 2022; the *Regulations on the Administration of Network Data Security* (《網絡數據安全管理條例》) promulgated by the State Council on August 30, 2024 and effective from January 1, 2025; the *Measures for the Security Assessment of Data Export* (《數據出境安全評估辦法》) promulgated by the CAC on July 7, 2022 and effective from September 1, 2022, among others.

Laws and Regulations Relating to Intellectual Property Rights

Patents

According to the *Patent Law of the PRC* (《中華人民共和國專利法》) promulgated by the NPCSC on March 12, 1984, most recently amended on October 17, 2020 and effective from June 1, 2021, and the *Implementation Regulations of the Patent Law of the PRC* (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and effective from January 20, 2024, the categories of inventions and creations for which patents can be applied include inventions, utility models and designs. China's patent system adopts the "first-to-file" principle, meaning that if two or more applicants file patent applications for the same invention or creation separately, the patent right will be granted to the person who filed first. The term of an invention patent is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all calculated from the filing date. After the grant of an invention or utility model patent, except as otherwise provided in the Patent Law, no entity or individual may, without the authorization of the patentee, exploit the patent, i.e., manufacture, use, offer to sell, sell, or import the patented product, or use the patented method, or use, offer to sell, sell, or import the product directly obtained through the patented method for production or business purposes.

Trademarks

According to the *Trademark Law of the PRC* (《中華人民共和國商標法》) promulgated by the NPCSC on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1, 2019, and the *Implementation Regulations of the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, most recently amended on April 29, 2014 and effective from May 1, 2014, which stipulate the procedures for trademark registration, cancellation, renewal, modification, assignment, and invalidation. According to the aforementioned legislation, the term of a registered trademark is 10 years, calculated from the date of approval of registration. If the trademark registrant needs to continue using the trademark, it shall go through the renewal procedures within 12 months before the expiration of the term. If the renewal procedures are not completed within the specified period, a grace period of six months may be granted to complete the renewal procedures. The validity period of each renewal of trademark registration is 10 years, calculated from the day after the expiration of the previous valid period of the trademark. If the renewal procedures are not completed upon expiration, the registered trademark shall be canceled.

Computer Software Copyright

According to the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, most recently amended on January 30, 2013 and effective from 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》) promulgated by the National Copyright Administration of the PRC on April 6, 1992, most recently amended and effective from February 20, 2002, computer software (software) refers to computer programs and related documentation. Chinese citizens, legal persons or other organizations enjoy copyright in the software they develop, whether or not it is published. Software copyright arises from the date on which the software development is completed. For software created by a legal person or other organization, the term of protection is 50 years, expiring on December 31 of the 50th year after the software was first published. However, if the software has not been published within 50 years from the completion of its development, it will no longer be protected.

Domain Names

According to the *Measures for the Administration of Internet Domain Names* (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, the MIIT is the primary regulatory authority responsible for administering Internet domain names in China. Domain name registration is handled through domain name service agencies established in accordance with relevant regulations. Upon approval of the registration, the applicant becomes the domain name holder. The provincial communications administrations oversee and manage domain name services within their respective administrative regions. No organization or individual may obstruct the safe and stable operation of the Internet domain name system.

Laws and Regulations Relating to Labor and Employment, Social Insurance and Housing Provident Fund

According to the *Labor Law of the PRC* (《中華人民共和國勞動法》) promulgated by the NPCSC on July 5, 1994, most recently amended and effective from December 29, 2018, and the *Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》) promulgated by the NPCSC on June 29, 2007, last revised on December 28, 2012 and effective from July 1, 2013, employers shall conclude written labor contracts with workers, comply with minimum wage standards, and establish a labor safety system.

According to the *Social Insurance Law of the PRC* (《中華人民共和國社會保險法》) promulgated by the NPCSC on October 28, 2010, amended and effective from December 29, 2018, employers shall, within 30 days from the date of employment, apply for social insurance registration for their employees with the social insurance collection agency, and pay social insurance contributions in full and on time. Social insurance contributions include basic old-age insurance premiums, basic medical insurance premiums, work injury insurance premiums, unemployment insurance premiums, and maternity insurance premiums.

The *Regulations on the Administration of the Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, most recently amended and effective from March 24, 2019, stipulates that employers shall, within 30 days from the date of employing a worker, complete the housing provident fund deposit registration, and make housing provident fund deposits in full and on time.

The Interpretation (II) of the Supreme People's Court of 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)》), promulgated by the Supreme People's Court on 31 July 2025 and effective on 1 September 2025, further provides that where an employer and an employee agree, or the employee undertakes to the employer, that social insurance contributions are not required, the people's court shall determine that such agreement or undertaking is null and void. Where the employer fails to pay social insurance contributions in accordance with the law, and the employee, pursuant to Article 38, item (3) of the Labor Contract Law, requests to terminate the labor contract and claims economic compensation from the employer, the people's court shall support such request in accordance with the law.

Laws and Regulations Relating to Taxation

Corporate Income Tax

According to the *Corporate Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) promulgated by the NPCSC on March 16, 2007, most recently amended and effective from December 29, 2018, and the *Implementation Regulations of the Corporate Income Tax Law of the PRC* (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, most recently amended on December 6, 2024 and effective from January 20, 2025, resident enterprises shall pay corporate income tax on their income derived from within and outside the territory of China. The corporate income tax rate is 25%. The PRC government provides key support to high-tech enterprises, with a reduced corporate income tax rate of 15% for such enterprises.

Value-Added Tax

According to the *Value-Added Tax Law of the PRC* (《中華人民共和國增值稅法》) promulgated by the NPCSC on December 25, 2024 and effective from January 1, 2026, value-added tax is payable on the sale of goods, labor services, services, intangible assets, real estate, and the importation of goods. The tax rates are 13%, 9%, 6%, or zero, depending on the industry.

Laws and Regulations Relating to Dividend Distribution

The *PRC Company Law* stipulates that a company shall appropriate 10% of its after-tax profits as a statutory reserve until the accumulated amount reaches 50% of its registered capital. No profit distribution may be made before the company's losses have been made up.

Laws and Regulations Relating to Overseas Listings

According to the *Trial Administrative Measures for the Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and effective from March 31, 2023, unified filing administration is implemented for both direct and indirect overseas offerings and listings of securities by domestic enterprises. All issuers shall fulfill filing procedures with the securities regulatory authority under the State Council and report relevant information. For an issuer that goes public directly overseas, it shall file with the CSRC within three working days after submitting the overseas offering application documents. An issuer is not allowed to offer or list overseas under any of the following circumstances: (i) where laws, administrative regulations or relevant state provisions explicitly prohibit offering or listing for financing; (ii) where, upon review and determination by the competent relevant department under the State Council, the overseas offering or listing may jeopardize national security; (iii) where the domestic enterprise, or its controlling shareholder or de facto controller, has committed criminal offenses involving corruption, bribery, embezzlement, misappropriation of property, or disruption of the order of the socialist market economy within the last three years; (iv) where the domestic enterprise is under investigation for suspected criminal offenses or major violations of law or regulations, and no clear conclusion has been reached; (v) where there are significant ownership disputes over the shares held by the controlling shareholder of the domestic enterprise or shares held by other shareholders controlled by the controlling shareholder and/or de facto controller.

According to the *Provisions on Strengthening the Administration of Confidentiality and Archives for Overseas Securities Offering and Listing of 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》) jointly issued by the CSRC along with other relevant departments on February 24, 2023 and effective from March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material involving state secrets or secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies, or other entities or individuals, it shall report to the competent department with approval authority for approval in accordance with the law, and file with the confidentiality administrative department at the same level for record. Working papers formed within China by securities companies and securities service institutions providing corresponding services for the overseas listing of domestic enterprises shall be stored within China, and cross-border transfer shall require approval procedures in accordance with relevant state regulations.

OVERVIEW OF THE LAWS AND REGULATIONS IN CHINESE TAIWAN

This section sets out summaries of certain aspects of Chinese Taiwan laws and regulations, which are relevant to our business operations.

REGULATIONS ON CROSS-BORDER INVESTMENT

In Chinese Taiwan, the fundamental legal framework governing the relationship between the people of the Taiwan Area and the Mainland Area is the Act Governing Relations between the People of the Taiwan Area and the Mainland Area (《台灣地區與大陸地區人民關係條例》). Pursuant to the Act, the Ministry of Economic Affairs (the "**MOEA**") has promulgated the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area (《在大陸地區從事投資或技術合作許可辦法》), which regulate investments made by individuals with Chinese Taiwan travel document, Chinese Taiwan-incorporated legal entities, organizations, or other institutions in Chinese Mainland.

Under these regulations, the regulatory regime for investments in Chinese Mainland distinguishes between "prohibited" and "general" categories. Investments falling within the prohibited category are not permitted. Investments not included in the prohibited list fall within the general category and are in principle, permissible subject to prior approval from the Department of Investment Review of the MOEA (the "**DIR**").

For investments in the general category below certain thresholds (e.g., an accumulated investment amount of up to US$1 million per project), no prior approval is required and a post-investment filing with the DIR shall be made within six months after the completion of the investment.

Furthermore, investors with Chinese Taiwan travel document or who are Chinese Taiwan-incorporated are subject to caps on the aggregate amount of investment in Chinese Mainland. In general, (i) individuals are subject to an annual cap of US$5 million; (ii) small and medium-sized enterprises are subject to a cap of NT$80 million or 60% of their net worth (or consolidated net worth), whichever is higher; and (iii) other enterprises are subject to a cap of 60% of their net worth (or consolidated net worth). Certain qualified enterprises, such as multinational enterprises or entities recognized as operational headquarters, may be exempt from such caps.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

Foreign exchange control in Chinese Taiwan is primarily governed by the Foreign Exchange Regulation Act (《管理外匯條例》).

Under the applicable regulations, the cumulative annual limit for foreign exchange purchased or sold by a company or business entity is US$100 million. Remittances within this limit may be declared and settled directly through authorized banks, whereas prior approval from the central bank in Chinese Taiwan is required if such limit is exceeded. In addition, for single transactions exceeding certain thresholds (i.e., US$1 million for companies and US$500,000 for individuals), banks may require supporting documentation from the declarant.

Cross-border fund flows involved in the Group's operations in Chinese Taiwan, including but not limited to dividend repatriation and payments for goods and services, must comply with the foregoing foreign exchange declaration and settlement requirements.

REGULATIONS ON LABOR AND SOCIAL WELFARE

Labor

The Labor Standards Act (《勞動基準法》) (the "**LSA**") establishes minimum standards for employment conditions in Chinese Taiwan, with the aim of protecting labor rights, strengthening labor-management relations and promoting socio-economic development. All employers and employees subject to the LSA must comply with its provisions, and any contractual terms that fall below statutory standards or contravene the LSA shall be void.

The LSA regulates matters including employment contracts, wages, working hours, rest periods, leave, retirement, occupational accident compensation and workplace rules. Employers who violate the LSA may be subject to administrative penalties. In addition, other relevant laws, including the Act of Gender Equality in Employment (《性別平等工作法》), also apply.

Labor Pension

Under the Labor Pension Act (《勞工退休金條例》), employers are required to make monthly contributions to employees' individual pension accounts. The employer's contribution shall not be less than 6% of the employee's monthly wage, and employees may voluntarily contribute up to an additional 6%.

Employees aged 60 or above with at least 15 years of service are entitled to monthly pension payments, while those with less than 15 years of service are entitled to a lump-sum payment. Employers who fail to make the required contributions may be liable for damages and subject to penalties.

Labor and Health Insurance

Pursuant to the Labor Insurance Act (《勞工保險條例》) and the National Health Insurance Act (《全民健康保險法》), employers are required to enroll eligible employees aged between 15 and 65 in labor insurance and national health insurance schemes.

Premiums are calculated based on employees' reported salaries and applicable rates. Labor insurance provides coverage for benefits including maternity, injury, sickness, disability, old age and death. Non-compliance may result in fines and other administrative penalties.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

The Trademark Act (《商標法》) protects trademark rights, safeguards consumer interests and promotes fair competition. Unauthorized use of a trademark that is identical or similar to a registered trademark in connection with identical or similar goods or services, resulting in a likelihood of confusion, constitutes trademark infringement.

Infringers may be subject to civil liabilities for damages as well as criminal penalties.

Patent

Under the Patent Act (《專利法》), patents in Chinese Taiwan are classified into invention patents, utility model patents and design patents, with respective terms of 20 years, 10 years and 15 years from the filing date.