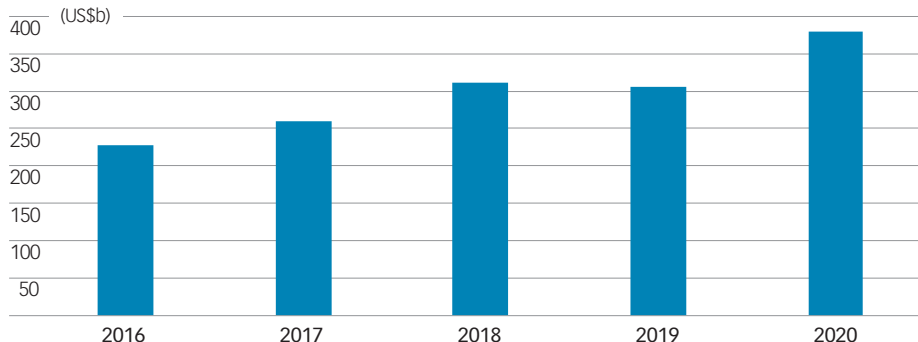


Chip potential

China semiconductor imports



Source: China Customs, Bloomberg Finance L.P.

Major tax policy changes for semiconductor companies

COMPANY TYPE	TAX RATE
Standard Tax Rate	25%
28nm and below	Tax exempt for up to 10 years
28nm to 65nm	Tax exempt for the first 5 years, 50% discount on corporate tax rate for the next 5 years
66nm to 130nm	Tax exempt for the first 2 years, 50% discount on corporate tax rate for the next 3 years
Chip design, packaging, testing, materials and equipment	

Source: State Taxation Administration of the PRC, iFAST Compilations. Data as at Dec 2020