

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business:

Regulatory Authorities

The regulatory authorities of the drug industry in the PRC include: the National Medical Products Administration (國家藥品監督管理局) (the “NMPA”), the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會) (the “NHC”) and the National Healthcare Security Administration (國家醫療保障局) (the “NHSA”).

The NMPA is an authority under the State Administration for Market Regulation (國家市場監督管理總局) (the “SAMR”) and is the primary regulator for medical products. It is primarily responsible for supervising and managing drugs, medical devices and cosmetics. The NHC is responsible for supervising and regulating public health, drafting national health policies, supervising and regulating public health, as well as organizing the formulation of national drug policies and the national essential medicine system. The NHSA is an authority directly under the State Council of the PRC (中華人民共和國國務院) (the “State Council”), and is responsible for the supervising and regulating the health protection, drafting and implementing policies and standards on medical insurance, and formulating and supervising the tendering and procurement policies for drugs.

Laws and Regulations in Relation to Drug Manufacturer

Drug Manufacturing Permit

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”), which was implemented in December 2019, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall obtain a Drug Manufacturing Permit (《藥品生產許可證》), which shall indicate the validity period and the scope of production.

Good Manufacturing Practice for Pharmaceutical Products

The World Health Organization encourages the adoption of GMP standards in pharmaceutical manufacturing to minimize the risk of finished products failing to meet quality standards. The “Announcement on Matters Concerning the Implementation of the Drug Administration Law of the PRC” 《關於貫徹實施<中華人民共和國藥品管理法>有關事項的公告》 stipulated that effective from December 1, 2019, GMP certification would be abolished. However, according to the Drug Administration Law, entities engaged in drug production activities must still comply with the Good Manufacturing Practice (GMP) for drugs.

Laws and Regulations in Relation to New Drugs

Research and Development of New Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”), which was implemented in December 2019, and the Implementation Regulations of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》) (the “**Implementation Regulations**”) implemented in January 2025, regulate the pharmaceutical

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manufacturing, research and development of new drugs and other administration matters of pharmaceutical products. The PRC encourages the research and development of new drugs, and protects the legal rights and interests.

Application for New Drug Registration

Drug registration refers to an approval process where the NMPA conducts review of the safety, efficacy and quality controllability of the drugs intended for marketing according to the application for drug registration made by an applicant, and decides whether it would approve the application, which shall be regulated by the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) implemented in July 2020.

Non-clinical Research and Animal Testing

The non-clinical safety assessment of drugs for marketing approval shall be regulated by the Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) and the Certification of Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), which were implemented by the China Food and Drug Administration (國家食品藥品監督管理總局) (the "CFDA").

Using animals in experiments and related products requires a Certificate for Utilization of Laboratory Animals (實驗動物使用許可證), and shall be regulated by the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》), the Administration Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》), and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》).

Clinical Trial

After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduct of new clinical drug trials. According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) implemented on May 1, 2017, the decision on the approval of clinical trials of drugs enacted by the CFDA can be made by the CDE.

After obtaining clinical trial approval, the applicant shall appoint institutions qualified for clinical trials of the drug to conduct clinical trials. Pursuant to the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which was implemented in December 2019, entities engaging in activities related to medicine research and development and drug clinical trials would be regulated. According to the Administration of Drug Registration, clinical trials are divided into Phase I, Phase II, Phase III, Phase IV and bioequivalence trials. Activities related to drug clinical trials shall comply with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》).

Evaluation and Approval System for Drugs

The Evaluation and Approval Procedures for Breakthrough Therapeutic Drugs (Trial) (《突破性治療藥物審評工作程序(試行)》), the Working Procedures for the Evaluation and Approval of Applications for Conditional Marketing Authorisation for Drugs (Trial) and The Preferential Evaluation and Approval Procedures for Drug Marketing Authorization (Trial) (《藥品上市許可優先審評審批工作程序(試行)》) implemented in July 2020, further clarified the accelerating registration procedures for drugs.

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The CDE's Standards for Accelerating the Review Work for Marketing Approval Applications of Innovative Drugs (Trial) (《藥審中心加快創新藥上市許可申請審評工作規範(試行)》), issued in March 2023, encouraged the development process of the innovative drugs of breakthrough therapy drug program, and expedited the marketing process of these drugs to meet relevant patients' medication needs.

Drug Marketing Authorization Holder System

Pursuant to the Drug Administration Law and the Administrative Measures for Drug Registration, the state implements the drug marketing authorization holder system for drug management. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization holder. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality controllability of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period.

NRDL

In December 2025, the NHA and the Ministry of Human Resources and Social Security of the PRC modified and formulated the NRDL for National Basic Medical Insurance, Maternity Insurance and Work Injury Insurance (2025) (《國家基本醫療保險、生育保險和工傷保險藥品目錄(2025年)》), which has been expanded the medicine coverage to a total of 3,253 drugs. Inclusion in the NRDL will generally result in increased sales volume and lower drug prices (which are determined on a case-by-case basis and negotiated based on factors such as the initial drug price).

National Essential Drug List

In September 2018, the General Office of the State Council issued the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》), and the National Health Commission and the National Administration of Traditional Chinese Medicine promulgated the National Essential Drug List (2018 Edition) (《國家基本藥物目錄(2018年版)》), replacing the National Essential Drug List (2012 Edition) (《國家基本藥物目錄(2012年版)》). Pursuant to these regulations, primary healthcare institutions must stock and use drugs listed in the National Essential Drug List. Drugs must be procured through centralized bidding procedures and are subject to price controls. All therapeutic drugs within the National Essential Drug List are included in the medical insurance coverage list, and the cost is reimbursable.

National Centralized Drug Procurement

In January 2021, the General Office of the State Council issued the Opinions on Promoting the Regularization and Institutionalization of Centralized Volume-Based Drug Procurement (《關於推動藥品集中帶量採購工作常態化制度化開展的意見》), proposing multiple measures to advance the regularization and institutionalization of centralized volume-based drug procurement nationwide. It requires all public medical institutions to participate in centralized drug procurement. The Joint Procurement Office issued the National Drug Centralized Procurement Document (GY-YD2024-2) (《全國藥品集中採購文件(GY-YD2024-2)》) on November 22, 2024, initiating multiple batches of centralized drug procurement.

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Drug Distribution and Two-Invoice System

According to the Implementing Opinions on Promoting the “Two-Invoice System” for Drug Procurement By Public Medical Institutions (For Trial Implementation) (《關於在公立醫療機構藥品採購中推行“兩票制”的實施意見(試行)》) which was issued in December 2016, the Two-Invoice System is a system under which invoices are issued by drug manufacturers to drug distributors on a once-off basis while invoices are issued by drug distributors to medical institutions on a once-off basis. According to the Several Opinions of the General Office of the State Council on Further Reform and Improvement in Policies of Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》), which was issued in January 2017, on a priority basis, the Two-Invoice System would be promoted in pilot provinces (autonomous regions and municipalities directly under the Central Government) and pilot cities for public hospital reform and would be implemented nationwide.

Drug Recall

According to the Measures for the Administration of Drug Recall (《藥品召回管理辦法》), which was implemented in November 2022, a drug manufacturer should establish and improve its drug recall system by collecting relevant information about drug safety and making an investigation and evaluation with respect to any drugs with potential safety hazards. If there are any potential safety hazards that endanger human health and life safety in respect of any drugs sold in the PRC, such drug manufacturer must start the drug recall procedures.

Gathering, Collection and Filing of Human Genetic Resources

Pursuant to the Biosecurity Law of the PRC (《中華人民共和國生物安全法》), which was implemented on April 26, 2024, a legislative framework is established for the pre-existing regulations in such areas as research, development, and application of biology technology for infectious diseases for humans, animals and plants; security management of human genetic resources and biological resources.

Good Clinical Practice Certification and Compliance with the Good Clinical Practice (GCP)

To improve the quality of clinical trials, the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) (the “GCP”) which was implemented in July 2020, aims to ensure that the clinical trials of drugs are standardized and the results are scientific and reliable, protecting the rights and safety of human subjects.

Regulations of Biological Products

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), drug registration shall be subject to registration and administration by categories, namely Chinese medicine, chemical medicine and biological products etc. The Registration Classification of Biological Products and Requirements for Application Materials (《生物製品註冊分類及申報資料要求》) regulated the registration classification of biological products and the requirements for application materials.

Special Examination and Approval Procedures

The Procedures of the CFDA for the Special Examination and Approval of Drugs (《國家食品藥品監督管理局藥品特別審批程序》), which was promulgated in November 2005, stipulates that in the case of any threatening of public health emergency, the SFDA shall take measures to facilitate the approval procedures so that the drugs needed in responding to such emergency can be approved as soon as possible.

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Administrative Protection and Monitoring Periods for New Drugs

According to the Implementation Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》), and the Reform Plan for Registration Category of Chemical Drugs (《化學藥品註冊分類改革工作方案》), the NMPA may, for the purpose of protecting public health, provide for a monitoring period of five years for new Category 1 drugs approved to be manufactured, commencing from the date of approval, to continually monitor the safety of those new drugs.

Other Laws and Regulations in Relation to Medical Industry

Medical Insurance Policy, Catalogue and Reimbursement Standards

Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated in January 2016, a unified basic medical insurance system for urban and rural residents was established by the PRC, including all the participants of the existing urban and rural residents' medical insurance and New Rural Cooperative Medical System.

Pursuant to the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》), the scope of medical insurance coverage for pharmaceutical products needs to be managed through the formulation of the Medical Insurance Catalogue (《醫療保險目錄》). The currently effective one is the National Insurance Drug List for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (2024) (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2024年)》) implemented in January 2025. Pursuant to the Guidance on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《關於進一步深化基本醫療保險支付方式改革的指導意見》) a diverse medical insurance payment mechanism that includes diagnosis-related groups, per-capita caps, and per-bed-day caps was implemented and promoted nationwide.

Drug Price

Pursuant to the Drug Administration Law (《藥品管理法》), for drug products with market-regulated prices in accordance with the law, the drug marketing authorization holder, the drug manufacturer, the drug distributor and medical institution shall determine the price pursuant to the principles of fairness, reasonableness, integrity and trustworthiness as well as quality for value in order to supply drug users with reasonably priced drug products; and shall comply with the requirements relating to the administration promulgated by the State Council's pricing authorities. According to the Notice on Issuing Opinions on Current Drug Price Management Work (《關於印發〈關於做好當前藥品價格管理工作的意見〉的通知》), the scope of drugs managed by the department of healthcare security includes traditional Chinese medicine, chemical medicines, biochemical drugs, and hospital preparations.

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued in August 2014, when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities, such drug manufacturer can entrust the manufacturing of the drug to another domestic drug manufacturer. Pursuant to the Administrative Measures on Supervision of Drug

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Manufacturing (《藥品生產監督管理辦法》), drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements and apply for the Drug Manufacturing Certificate (《藥品生產許可證》).

Advertising of Pharmaceutical Products

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which promulgated in March 2020, advertisements for drugs, medical devices, health food and formula food for special medical purposes shall be true and legitimate, and shall not contain any false or misleading contents.

Package Insert, Label and Packaging of Pharmaceutical Products

Pursuant to the Measures for the Administration of the Insert Sheets and Labels of Drugs (《藥品說明書和標籤管理規定》), which was promulgated in June 2006, the package inserts and labels of drugs should be reviewed and approved by the SFDA and must comply with the national and professional standards.

Drug Technology Transfer

The registration process of drug technology transfer, which includes application for, evaluation, review, approval and supervision of drug technology transfer registration, is regulated by the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) and the Administrative Regulation for Technology Transfer Registration of Drugs (《藥品技術轉讓註冊管理規定》).

Laws and Regulations in Relation to Intellectual Property

Patents are protected by the Patent Law of the PRC (《中華人民共和國專利法》) effective from June 1, 2021 and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which provide for three types of patents, namely invention, utility model and design. The Patent Law introduces patent extensions, which patents of new drugs launched in the PRC may be granted extensions in accordance with the relevant provisions of the Patent Law, to compensate for the time spent for the review and examination and approval of the launch of a new drug.

Copyright is protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) and the Implementation Rules of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》).

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》).

Regulations in relation to Company Establishment

The establishment, operation and management of corporate entities in China are governed by the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law"), which was implemented in July 2024.

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Regulations in Relation to Foreign Direct Investment

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which was promulgated in January 2020, has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors. Meanwhile, the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC and other laws.

Regulations in Relation to Overseas Direct Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated in October 2024, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), promulgated in March 2018, a domestic enterprise making an outbound investment shall obtain approval, conduct record-filing or other procedures, reporting relevant information, and cooperating with the supervision and inspection. Pursuant to the Regulations on the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) promulgated in August 2008, any domestic organization or individual that seeks to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas shall make the appropriate registrations in accordance with State Council foreign exchange administrative department provisions before making said registrations.

Regulations in Relation to Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) is the principal governing law relating to the supervision and administration of product quality, which states that manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller. The PRC Civil Code (《中華人民共和國民法典》) and the Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) also regulate the liability for damages of manufacturers and sellers.

Regulations in Relation to Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), implemented in September 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities.

Regulations in Relation to Environmental Protection and Fire Safety

Regulations in relation to environmental protection and fire safety mainly include the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) and the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》).

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Regulations in Relation to Prevention and Control of Occupational Diseases

The Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》), which was amended in December 2018, is the basic law for the prevention and control of occupational diseases.

Laws and Regulations in Relation to Labor and Employee Incentives

Employment and Social Securities

Employers shall, pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), establish a comprehensive management system to protect the rights of their employees.

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which was promulgated in June 2021, established a data classification and grading protection system to conduct classified and hierarchical protection of data.

The Measures for Cybersecurity Review (《網絡安全審查辦法》), which was implemented in February 2022, required that a cybersecurity review is required when national security has been or may be affected where critical information infrastructure operators purchase network product and service and network platform operators conduct data processing activities. In addition, when a network platform operator in possession of personal information of over one million users intends to get listed abroad, it must apply to the Cybersecurity Review Office for a cybersecurity review.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) issued and implemented by the Cyberspace Administration of China on March 22, 2024, a data processor that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal information protection certification, if such data processor accumulatively transfers overseas ordinary personal information of less than 100,000 individuals since January 1 of the current year.

Personal Information Protection

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law and ensure the security of the information.

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Laws and Regulations in Relation to Anti-Bribery

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), any business operator shall not provide or promise to provide economic benefits to counterparties in a transaction or third parties that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator.

Laws and Regulations in Relation to Foreign Exchange and Taxation

Foreign Exchange Administration

According to the Circular on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《關於改革和規範資本項目結匯管理政策的通知》), amended in December 2023, enterprises registered in China may decide at their own discretion to convert foreign debt into Renminbi for use. The foreign exchange income under capital and the Renminbi funds gained from foreign exchange settlement by the company shall be used as expenses under ordinary items within its business scope, or for expenses under capital as permitted by laws and regulations.

Pursuant to the Guidelines for the Foreign Exchange Business under the Capital Account (2024 edition) (《資本項目外匯業務指引》), which was promulgated in April 2024, funds raised by domestic companies through overseas shall, in principle, be transferred back to China in a timely manner, either in Renminbi or foreign currency. The use of such funds shall be consistent with the relevant contents as set out in publicly disclosed documents, including the document, corporate bond offering prospectus, shareholder circular, and resolutions of the board of directors or shareholders’ meeting, and shall comply with relevant foreign exchange control regulations. Pursuant to the Notice on Matters Concerning Deepening the Reform of Foreign Exchange Management for Cross-border Investment and Financing (《關於深化跨境投融資外匯管理改革有關事宜的通知》), the domestic reinvestment registration requirement for foreign enterprises as stipulated in the Notice by the State Administration of Foreign Exchange of Further Deepening Reform and Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) was cancelled.

Taxation

Individual Income Tax

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), and the Regulation on the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was implemented in January 2019, individual investors shall be subject to individual income tax at a rate of 20% on dividend income received from enterprises within China, which shall be withheld and paid by enterprises within China. Income from the transfer of property (including income from the transfer of securities, equity and partnership property shares among individuals) is subject to individual income tax at a rate of 20%.

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), implemented in December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), implemented in January 2025, enterprises are categorised as either resident enterprises or non-resident enterprises. Resident enterprises shall be

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subject to enterprise income tax at a standard rate of 25% on their worldwide income. High-tech enterprises with key support from the government shall be subject to a preferential enterprise income tax rate of 15%.

Pursuant to the Notice of the State Administration of Taxation on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) promulgated in November 2008, the dividends distributed by resident enterprises in China for 2008 and subsequent years to H-share holders which are overseas non-resident enterprises shall be subject to withholding and payment of enterprise income tax at a uniform rate of 10%.

Value-Added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended in November 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-Added Taxes (《中華人民共和國增值稅暫行條例實施細則》) amended in October 2011, all entities or individuals engaged in the sale of goods, provision of processing, repair and maintenance services, or importation of goods within China shall be value-added tax taxpayers and subject to value-added tax in accordance with relevant laws and regulations. Through the value-added tax reform in China, value-added tax rates have undergone multiple adjustments and value-added tax are regulated by the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was implemented in January 2026.

Regulations in Relation to Overseas Securities Offering and Listing by Domestic Companies

Pursuant to the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) implemented in March 2023 (hereinafter referred to as the “**Interim Measures**”), where a domestic company seeks overseas securities issuance and [REDACTED], the issuer shall undergo the recordation formalities with the CSRC in accordance with the Interim Measures. An issuer conducting overseas initial [REDACTED] or [REDACTED] shall undergo the recordation formalities with the CSRC within three (3) working days after the [REDACTED] documents for [REDACTED] and [REDACTED] are submitted overseas.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) implemented in March 2023, In the overseas [REDACTED] and [REDACTED] activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.