REGULATION OF MEDICAL DEVICES

The manufacturing, using and operation of medical devices in China are subject to extensive regulations.

Pursuant to the Regulations on the Supervision and Administration of Medical Devices, (《醫療器械監督管理條例》) promulgated by the State Council on April 1, 2000 and last amended on December 6, 2024, and the Administrative Measures for the Registration and Record-filing of IVD Reagents (《體外診斷試劑註冊與備案管理辦法》), promulgated by State Administration for Market Regulation (the "**SAMR**") and effective from October 1, 2021, medical devices, including in-vitro diagnostic reagents, are classified into Class I, II and III based on their respective degrees of risk. Class I medical devices are low-risk and can ensure safety and effectiveness through routine administration. Class II medical devices, with moderate risk, are subject to more stringent supervision and control to ensure safety and effectiveness. Class III medical devices, with high risk, require special administrative measures to guarantee their safety and effectiveness. Pursuant to the Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing (《關於加強臨床使用基因測序相關產品和技術管理的通知》) promulgated by the General Office of NHFPC and the General Office of China Food and Drug Administration, predecessor of National Medical Products Administration (NMPA), gene sequencing diagnostic products, including gene sequencers and relevant diagnostic reagents and software, shall be regulated as medical devices.

Regulatory Regime of Medical Devices in China

Under the current PRC legal regime, the principal regulatory authorities to oversee the medical devices (including IVD and medical equipment) are NMPA, NHC and SAMR. The NMPA, which operates under the supervision of SAMR, is the principal agency responsible for regulating drugs and medical devices in China. Its key functions include overseeing medical device registration, quality management, sales and distribution, as well as formulating and enforcing relevant policies and standards. The NMPA maintains a three-tier structure — national, provincial and municipal levels — with lower-level offices reporting to their higher-level counterparts and certain authorities delegated downward. For instance, the review and approval of Class II medical devices has been delegated to provincial NMPA offices, while approval authority for Class I medical devices rests with municipal NMPA offices. The NHC, directly under the State Council, is the primary authority for health-related matters. Its responsibilities concerning medical devices include formulating health policies, supervising medical institutions, and advising on pricing policies for medical device sales and distribution. The NHC also operates through national, provincial and municipal levels, with authority over local health matters delegated to its lower-level offices. SAMR, likewise directly under the State Council, is responsible for comprehensive market supervision and regulation of market transactions. In the medical device sector, SAMR regulates sales and distribution, maintains market order, and oversees pricing. As a law enforcement authority, SAMR has the power to investigate violations and impose administrative penalties on market entities. SAMR is also structured across national, provincial and municipal levels, with local supervision and administration functions delegated to its lower-level offices.

Registration and Filing of Medical Devices

Pursuant to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), the Administrative Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》) promulgated by the SAMR on August 26, 2021 (effective October 1, 2021), and the Administrative Measures for the Registration and Record-filing of IVD Reagents (《體外診斷試劑註冊與備案管理辦法》), Class I medical devices (including in-vitro diagnostic reagents) are subject to filing with municipal branches of the NMPA. Class II and Class III medical devices (including in-vitro diagnostic reagents) may only be marketed in China after obtaining product registration. Class II devices are examined by provincial NMPA branches, while Class III devices are examined by the NMPA, and a Medical Device Registration Certificate (醫療器械註冊證) for such medical device shall be issued upon approval. According to the Administrative Measures for the Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), clinical evaluations are required for the filings and registration of medical devices unless otherwise prescribed thereunder.

Pursuant to the Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing (《關於加強臨床使用基因測序相關產品和技術管理的通知》), gene sequencing diagnostic products, including gene sequencers and relevant diagnostic reagents and software, shall be regulated as medical devices. The classification of specific medical devices is stipulated in the Medical Device Classification Catalog (《醫療器械分類目錄》), issued by the CFDA on August 31, 2017, effective as of August 1, 2018 and last revised on December 30, 2025. The catalog of Class II and Class III IVD Reagents exempted from clinical trials shall be formulated, amended and promulgated by the NMPA. On September 16, 2021, the NMPA issued the Catalog of Class II and Class III IVD Reagents Exempted from Clinical Trials (《免於臨床試驗體外診斷試劑目錄》), effective as of October 1, 2021, and last revised on June 23, 2025. On September 18, 2021, the NMPA issued The Technical Guiding Principles for Clinical Evaluation of IVD Reagents Exempted from Clinical Trials (《免於臨床試驗的體外診斷試劑臨床評價技術指導原則》).

Production Permit and GMP for Medical Devices

Pursuant to the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) and the Administrative Measures on the Production of Medical Devices (《醫療器械生產監督管理辦法》) promulgated by the SAMR on March 10, 2022 and effective as of May 1, 2022, the supervision for the production of medical devices follows a risk-based classification. Entities producing Class I medical devices are only required to submit a production filing to the municipal-level drug regulatory authority. Entities producing Class II or III medical devices must obtain approval from the provincial-level drug regulatory authority where they are located and secure a medical device production license in accordance with the law. Each medical device production license is valid for five years and may be renewed upon expiry, provided that an application for renewal is submitted between 30 and 90 working days prior to the expiration.

Pursuant to the Administrative Measures on the Supervision of the Production of Medical Devices (《醫療器械生產監督管理辦法》) and the requirements of the Good Manufacturing Practice for Medical Devices (《醫療器械生產質量管理規範》) (the "**GMP**") issued by the CFDA on December 29, 2014 and effective as of March 1, 2015, an enterprise engaging in the production of medical devices shall establish and effectively maintain a quality control system in accordance to the requirements of the GMP.

Permit for Medical Devices Operation

Pursuant to the Administrative Measures for Medical Devices Operation (《醫療器械經營監督管理辦法》), promulgated by the SAMR on March 10, 2022 and effective as of May 1, 2022, entities engaged in the operation of Class I medical devices are not required to obtain approval or filing with the NMPA or its local branches. Entities operating Class II medical devices shall complete filing with the municipal-level NMPA branch at their location. Entities operating Class III medical devices shall obtain an operation permit from the municipal-level NMPA branch, which is valid for five years. The permit holder shall apply for renewal within 30 to 90 business days prior to expiration. In addition, registered holders, record holders and manufacturers of medical devices that sell such devices at their domicile or place of manufacture are not required to obtain additional operation permits or filings. Pursuant to the Good Sales Practice of Medical Devices (《醫療器械經營質量管理規範》) promulgated by NMPA and effective on July 1, 2024, an entity engaging in the procurement, acceptance, preservation, sales, transportation and after-sales of medical devices shall take effectively quality control measures.

REGULATION OF HUMAN GENETIC RESOURCES

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) promulgated by the Standing Committee of the National People's Congress (SCNPC) on October 17, 2020 and latest amended on April 26, 2024, establishes a comprehensive legislative framework covering areas including infectious disease control, biotechnology R&D and application, pathogenic microbial laboratory management, human genetic and biological resources security, microbial resistance countermeasures, and bioterrorism prevention. It stipulates that clinical research of new biomedical technologies must pass ethical review, be conducted in qualified medical institutions, and operated by qualified professional medical workers.

The Regulation for the Administration of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》) (the HGR Regulation), promulgated by the State Council on May 28, 2019 and last amended on March 10, 2024 (effective May 1, 2024), regulates the collection, preservation, utilization and outbound provision of human genetic resources — including human genetic resources materials (e.g., organs, tissues, cells containing hereditary substances) and human genetic resources information (e.g., relevant generated data). And pursuant to the HGR Regulation, such activities related to human genetic resources must comply with ethical principles and undergo ethical review in accordance with national regulations.

REGULATIONS OF INFORMATION SECURITY AND DATA PRIVACY

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》), which took effect on June 1, 2017. The Cybersecurity Law stipulates that network operators must comply with laws and regulations and fulfill their obligations to safeguard cybersecurity while conducting business operations and providing services.

On June 10, 2021, the SCNPC promulgated the Data Security Law (《數據安全法》), which took effect on September 1, 2021. The Data Security Law provides that the conduct of data processing activities shall be in compliance with the provisions of laws and administrative regulations, establishing and completing a data security management system for the entire workflow, organizing and conducting data security education and training, adopting corresponding technical measures and other necessary measures to ensure data security, strengthening risk monitoring, taking immediate disposition measures and promptly reporting to relevant authorities when data security incidents occur.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), which took effect on November 1, 2021. The Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection and aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information.

On September 24, 2024, the State Council promulgated the Regulations on the Management of Network Data Security (《網絡數據安全管理條例》), which took effect on January 1, 2025. The regulations govern network data processing activities, ensure network data security, and promote the lawful, reasonable, and effective use of network data.

REGULATION OF ENVIRONMENT PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014 (effective January 1, 2015), outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Environmental Protection is authorized to establish national environmental quality and emission standards, and to monitor the national environmental protection scheme.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and most recently amended on December 29, 2018, the PRC government implements classified administration of construction projects based on their environmental impact. The construction unit shall prepare an environmental impact report, an environmental impact form, or complete an environmental impact registration form (collectively, the "**Environmental Impact Assessment Documents**") for submission or filing. Construction is prohibited if the Environmental Impact Assessment Documents have not been reviewed by the approving authority as required by law or have been reviewed but denied approval.

The Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 (effective October 1, 2017), stipulate that, depending on the environmental impact of the construction project, the construction employer shall submit an environmental impact report, or an environmental impact statement, or file a registration form.

REGULATIONS OF THE FIRE PREVENTION SECTOR IN THE PRC

The Fire Prevention Law of the PRC (《中華人民共和國消防法》), issued by the SCNPC on April 29, 1998 and amended on April 29, 2021, and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and amended on August 21, 2023 (effective October 30, 2023), stipulate that the constructor shall apply to the competent housing and urban-rural development authority for fire safety inspection and acceptance upon completion of a construction project subject to such inspection and acceptance as prescribed by the housing and urban-rural development authority of the State Council. For other construction projects, the constructor shall complete filing formalities with the competent housing and urban-rural development authority after inspection and acceptance, and such authority shall conduct random inspections thereon.

REGULATION OF FOREIGN INVESTMENT

Pursuant to the Company Law of the PRC (《中華人民共和國公司法》), promulgated by the SCNPC on December 29, 1993 and most recently amended on December 29, 2023 (effective July 1, 2024), companies established in China may take the form of limited liability company or a company limited by shares. Each company is a legal person with independent assets in its own name. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which took effect on January 1, 2020 and replaced the previous primary laws and regulations governing foreign investment in China. The Foreign Investment Law defines "foreign investment" as investment activities by foreign investors in China, directly or indirectly, including: (i) establishing foreign-invested enterprises solely or jointly with other investors; (ii) acquiring shares, equity interests, property shares or other similar rights and interests of domestic enterprises; (iii) investing in new projects solely or jointly with other investors; and (iv) making investments in other forms as prescribed by laws, administrative regulations or the State Council.

Pursuant to the Foreign Investment Law and its implementing rules, China adopts an administration system of pre-entry national treatment plus a negative list for foreign investment. The negative list shall be proposed by the competent investment and commerce authorities of the State Council together with other relevant departments, and promulgated upon approval by the State Council.

Investments in the PRC by Foreign Investors and foreign-invested enterprises were regulated by the Catalog for The Guidance of Foreign Investment Industries (《外商投資產業指導目錄》), last repealed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List 2024**") which was promulgated by the National Development and Reform Commission and the Ministry of Commerce (MOFCOM) on September 6, 2024 and effective November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), promulgated by the National Development and Reform Commission and the MOFCOM on December 15, 2025 and became effective on February 1, 2026. Foreign-invested projects are classified as encouraged, restricted or prohibited. Projects not included in the Negative List 2024 are regarded as permitted.

On December 30, 2019, the MOFCOM and the SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Under such measures, foreign investors or foreign-invested enterprises that conduct investment activities in China directly or indirectly shall submit investment-related information to the competent commerce authorities.

REGULATION OF INTELLECTUAL PROPERTY RIGHTS

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020 (effective June 1, 2021), and the Implementing Rules of the Patent Law (《中華人民共和國專利法實施細則》) provide for three types of patents, including "invention", "utility model" and "design". The validity periods of these patents are calculated from the date of application. An invention patent is valid for 20 years, a utility model for 10 years, and a design for 15 years. In addition, under the HGR Regulation, patents derived from the cross-border cooperation using PRC genetic resources shall be jointly applied and owned by the cooperating PRC and foreign parties.

Copyright

Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 (effective June 1, 2021) and related rules and regulations. The Copyright Law provides for a 50-year protection term for copyrighted software.

In order to further implement the Regulations for the Protection of Computer Software (《計算機軟件保護條例》) issued on June 4, 1991 and last amended on January 30, 2013, the Registration of Computer Software Copyright Procedures (《計算機軟件著作權登記辦法》), issued on April 6, 1992 and last amended on June 18, 2004, apply to software copyright registration, licensing contract registration and transfer contract registration.

Trademark

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》) and related rules and regulations. Trademark registration is administered by the State Intellectual Property Office (formerly the Trademark Office of the SAIC). A registered trademark is valid for a renewable term of ten years, unless revoked.

Domain Name

Pursuant to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective as of November 1, 2017, domain name registrations shall be handled through legally established domain name service agencies, and applicants become domain name holders upon successful registration.

REGULATION OF ANTI-BRIBERY

Pursuant to the Anti-Unfair Competition Law (《反不正當競爭法》) amended by SCNPC on June 27, 2025 and effective as of October 15, 2025, and the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAIC on November 15, 1996, business operators shall not provide or promise economic benefits (including cash, other property or other means) to transaction counterparties or third parties capable of influencing transactions to secure transaction opportunities or competitive advantages. Business operators in violation of the aforementioned anti-bribery rules may face administrative punishment or criminal liability based on the severity of the violation.

TAX REGULATIONS

PRC Enterprise Income Tax

The PRC enterprise income tax ("**EIT**"), is calculated based on the taxable income determined under the EIT Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation rules, which became effective on January 1, 2008 and were last amended on

December 29, 2018 and December 6, 2024, respectively. The EIT Law generally imposes a uniform 25% EIT rate on all Chinese resident enterprises, including foreign-invested enterprises. Eligible High and New Technologies Enterprises, upon official recognition, may enjoy a reduced 15% EIT rate pursuant to the EIT Law and its implementation rules.

PRC Value Added Tax

On March 23, 2016, the MOF and the STA jointly issued the Circular on the Pilot Program for Overall Implementation of the Collection of Value Added Tax Instead of Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》), which took effect on May 1, 2016. It stipulates that enterprises previously subject to business tax, including those in construction, real estate, finance and modern service sectors, were required to pay VAT instead. A 6% VAT rate applies to certain taxable services, and taxpayers may offset qualified input VAT from taxable purchases against output VAT from services provided.

On March 20, 2019, the MOF, the STA and the General Administration of Customs issued the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), which took effect on April 1, 2019, mainly to reduce VAT rates: (i) the 16% and 10% VAT rates for general taxpayers' sales and imports of goods were lowered to 13% and 9% respectively; (ii) the 10% input VAT deduction rate for purchased agricultural products was reduced to 9%, and to 10% for those used for producing or processing goods subject to 13% VAT; (iii) the 16% and 10% export VAT refund rates for goods and labor services were cut to 13% and 9% respectively.

REGULATION OF FOREIGN EXCHANGE

Under Regulations on Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》) and relevant regulations, payments for current account items, such as profit distributions and trade- and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from the SAFE, subject to compliance with certain procedural requirements. In contrast, conversions of RMB into foreign currency for capital account purposes — such as repayment of foreign currency-denominated loans or capital contributions to, or foreign currency loans extended to, a PRC subsidiary — require approval from, or registration with, the relevant government authorities.

In November 2012, SAFE issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》), as amended, which substantially amends and simplifies the foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In May 2013, SAFE issued the Circular on Printing and Distributing the

Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《關於印發〈外國投資者境內直接投資外匯管理規定〉及配套文件的通知》), as amended, which clarified that SAFE and its local branches would administer foreign direct investment in the PRC through a registration-based system, and that banks would process related foreign exchange business based on the registration information provided by SAFE. In February 2015, SAFE issued the Circular of Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (Circular 13), effective June 1, 2015, which further simplified direct investment foreign exchange procedures by delegating the handling of foreign exchange registrations from SAFE and its branches to designated banks. Nevertheless, Circular 13 continued to prohibit foreign-invested enterprises from using RMB converted from foreign currency-registered capital to extend entrustment loans or to repay bank loans or inter-company loans.

On June 9, 2016, SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (Circular 16), effective the same day. Circular 16 introduced discretionary foreign exchange settlement for foreign currency capital, foreign debt proceeds, and remitted foreign listing proceeds, and removed the previous restrictions on using the RMB proceeds from such settlement to extend loans to related parties or repay inter-company loans (including advances by third parties).

LABOR LAWS AND SOCIAL INSURANCE

The PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the NPC in 1994, and most recently amended in 2018, stipulates the relationship between employers and employees. The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the NPC in 2007, amended in 2012 and came into effect in 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and came into effect in 2008, specifies the terms and conditions included in labor contracts to protect the rights and interests of the employees.

In addition, pursuant to the Social Insurance Law of PRC (《中華人民共和國社會保險法》) issued by the Standing Committee of NPC on October 28, 2010, amended and came into effect on December 29, 2018 and the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) amended by the State Council and came into effect on March 24, 2019 and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) amended by the State Council and came into effect on March 24, 2019, employers in China are required to pay, at the applicable statutory rates, social insurance contributions (including basic pension, medical, unemployment, work-related injury and maternity insurance) and housing fund contributions for their employees. Failure to pay the full amount in a timely manner may result in an order to settle the overdue amount and the imposition of fines.

REGULATIONS OF THE H SHARE FULL CIRCULATION

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On August 10, 2023, the China Securities Regulatory Commission (CSRC) issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (2023 Revision) (《H股公司境內未上市股份申請「全流通」業務指引(2023修正)》). Under the guidelines, shareholders of domestic unlisted shares may, subject to compliance with applicable laws, regulations and relevant policies (including those on state-owned asset administration, foreign investment and industry regulation), determine by consultation the amount and proportion of shares to be circulated, and may authorize the corresponding H-share listed company to file an application with the CSRC. Unlisted domestic companies limited by shares may also apply for "full circulation" when filing for their initial public offering and listing overseas.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (CSDC) and the Shenzhen Stock Exchange jointly issued the Measures for Implementation of H-Share "Full Circulation" Business (《H股「全流通」業務實施細則》) (the Measures for Implementation), which govern matters such as cross-border transfer registration, depository and holding record maintenance, trade order placement and transmission, clearing and settlement, settlement participant management, and nominee holder services in connection with H-share full circulation.

To further facilitate the H-share "Full Circulation" reform and clarify the operational procedures for share registration, custody, settlement and delivery, the Guide to the Program for "Full Circulation" of H-shares of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) (the Guide) on September 20, 2024, and last amended on June 27, 2025 (effective June 30, 2025). It specifies the business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance of domestic holding details, etc.

Pursuant to the Measures for Implementation and the Guide, shareholders applying for H-share full circulation ("**Participating Shareholders**") must complete the cross-border transfer registration to convert their domestic unlisted shares into H-shares before trading. In this process, CSDC, as nominee holder, deposits the relevant shares with CSDC (Hong Kong), which in turn deposits them with Hong Kong Securities Clearing Company Limited (HKSCC) in its own name. Rights vis-à-vis the issuer are exercised through HKSCC, with HKSCC Nominees Limited appearing as the ultimate nominee holder on the H-share listed company's register of shareholders.

Under the Guide, an H-share listed company, upon authorization by Participating Shareholders, must designate a single domestic securities company ("**Domestic Securities Company**") to handle trading of the converted H-shares. Participating Shareholders place trading orders through the Domestic Securities Company, which transmits the orders via Shenzhen Securities Communications Co., Ltd. to its designated Hong Kong securities company. The Hong Kong securities company then executes the trades on The Stock Exchange of Hong Kong Limited in accordance with the orders and applicable rules.

Upon the completion of the transaction, settlements are conducted separately between (i) each Hong Kong securities company and CSDC (Hong Kong), (ii) CSDC (Hong Kong) and CSDC, (iii) CSDC and the Domestic Securities Company, and (iv) the Domestic Securities Company and the Participating Shareholders.

REGULATION OF OVERSEAS SECURITIES OFFERING AND LISTING

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. Under the Overseas Listing Trial Measures, PRC domestic companies that seek to offer or list securities overseas, either directly or indirectly, shall file with the CSRC within 3 working days after its listing application for overseas initial public offering is submitted.

Under the Overseas Listing Trial Measures, PRC domestic companies seeking to offer and list securities overseas, whether directly or indirectly, must complete the filing procedures with the CSRC and report relevant information. The Measures explicitly prohibit an overseas listing or offering in any of the following circumstances: (i) it is expressly forbidden by PRC laws, administrative regulations, or relevant state rules; (ii) the relevant competent authorities under the State Council have lawfully determined that it may endanger national security; (iii) the domestic company, or its controlling shareholders and/or actual controller, have been convicted of crimes such as corruption, bribery, embezzlement, misappropriation of property, or undermining the order of the socialist market economy within the past three years; (iv) the domestic company is under investigation for suspected criminal offenses or material violations of laws or regulations, and no conclusion has been reached; or (v) there are material ownership disputes over the equities held by the company's controlling shareholders or by other shareholders under their control.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration 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 "**Provision on Confidentiality**"), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, whether directly or through its overseas listing entities, any documents or materials containing state secrets or working secrets of state organs, it must obtain approval from the competent examination and approval authority in accordance with the law and file such materials with the secrecy administration department at the same level. In addition, domestic enterprises providing accounting archives or copies thereof to the aforementioned parties must comply with the relevant procedures prescribed by the state.