OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the major PRC regulatory authorities and PRC laws and regulations that may have a significant impact on our business and operations.

REGULATORY AUTHORITIES

The operations of our Company in the PRC are mainly supervised and regulated by the following authorities, in addition to the authorities generally administering the companies in the PRC:

National Medical Products Administration and Center for Drug Evaluation

The National Medical Products Administration (國家藥品監督管理局) (the "**NMPA**"), (formerly the China Food and Drug Administration (國家食品藥品監督管理總局) (the "**CFDA**")), under and supervised by the State Administration for Market Regulation (國家市場監督管理總局) (the "**SAMR**"), is the primary regulatory agency in the PRC for the supervision and management of the pharmaceutical products and related businesses, and regulates almost all the key stages of the life-cycle of pharmaceutical products, including non-clinical research, clinical trial, marketing approval, production, circulation, etc.

The Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心) (the "**CDE**"), which is a subsidiary under the NMPA, conducts the technical evaluation on each drug and biologic application to assess the safety and efficacy of each candidate.

National Health Commission

The National Health Commission (國家衛生健康委員會) (the "**NHC**") (formerly the National Health and Family Planning Commission (國家衛生和計劃生育委員會)) is primary national regulator for public health. It is primarily responsible for drafting national health policies, supervising and regulating public health, healthcare services, and health emergency systems, coordinating the reform of medical and health system, organizing the formulation of national drug policies and national essential medicine system, launching an early warning mechanism for the monitoring of the use and clinical comprehensive evaluation of medicine as well as the drug shortage, giving suggestions on the pricing policy of national essential medicine, and regulating the operation of medical institutions and practicing of medical personnel.

National Healthcare Security Administration

The National Healthcare Security Administration (國家醫療保障局) is directly under the State Council and responsible for the management of the healthcare security system. It is primarily responsible for drafting and implementing policies and standards on medical insurance, maternity insurance and medical assistance; supervising and administering the healthcare security funds; formulating a uniform medical insurance catalogue and payment standards on drugs, medical disposables and healthcare services; and formulating and supervising the implementation of the bidding and tendering policies for drugs and medical disposables.

PRC LAWS AND REGULATIONS

Laws and Regulations in Relation to New Drugs

Drug Registration Administration

Pursuant to the provisions of the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) promulgated by the SAMR on January 22, 2020 and taking effect from July 1, 2020, drug registration refers to activities that a drug registration applicant files an application and other supplementary applications for clinical drug trial, approval for drug marketing, and re-registration, among others, under the legal procedures and according to the relevant requirements, and that the medical products administrative department examines the safety, effectiveness, and quality controllability based on the laws and regulations, and the existing scientific cognitions, to decide whether to agree with the activities applied for. Prior to applying for registration of drug marketing, the applicant shall complete study work relating to pharmacy,

pharmacology and toxicology, clinical trial of drugs etc. Non-clinical safety evaluation and study for drugs shall be carried out by institutions with Certification of Good Laboratory Practice for Non-clinical Laboratory and comply with the Good Laboratory Practice for Non-clinical Laboratory. The clinical trial of a drug shall be subject to approval, among which the bio-equivalence trial shall be subject to record-filing; the clinical trial of a drug shall be carried out in the clinical trial institutions meeting the relevant provisions and comply with the Good Clinical Practice of Drug Trials.

A drug registration certificate shall be valid for five years. 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.

Non-clinical Research

The institutions for non-clinical safety evaluation and study shall implement the Good Laboratory Practice for Non-Clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) (the "**GLP**"), which was promulgated by the CFDA on July 27, 2017, and came into effect from September 1, 2017. GLP contains a set of rules and criteria for the quality system concerned with the organizational process and conditions under which non-clinical laboratory studies are planned, performed, monitored, recorded, achieved and reported. Other pre-clinical related research activities for the purpose of drug registration shall be carried out with reference to the GLP. The Measures for Administration of Certification of the Good Laboratory Practice for Nonclinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), which was promulgated by the NMPA on January 19, 2023 and came into effect from July 1, 2023, sets out the requirements for organizations to apply for GLP certification to conduct non-clinical drug studies.

Animal Testing

The State Science and Technology Commission, now known as the Ministry of Science and Technology of the PRC (the "**MOST**"), promulgated the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) on November 14, 1988, which were most recently amended by the State Council with effect from March 1, 2017. On December 11, 1997, the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision (now abolished) jointly promulgated the Administrative Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》), which became effective on the same day. On December 5, 2001, the MOST and other regulatory authorities promulgated the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》), which became effective from January 1, 2002. All of these laws and regulations require a Certificate for Use of Laboratory Animals for performing animal experimentation.

Application for clinical trial

Clinical trials should be conducted when applying for registration of a new drug. After completing the pre-clinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new clinical drug trials. According to the Decision on Adjusting the Approval Procedures of the Administrative Approval Items for Certain Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and taking effect from May 1, 2017, the decision on the approval of clinical trials of drugs enacted by the CFDA can be made by the CDE in the name of CFDA from May 1, 2017.

Drug Clinical Trial Registration

Pursuant to the Measures for the Administration of Drug Registration, upon obtaining the clinical trial approval and before commencing a clinical trial, the sponsor shall register the scheme of the clinical trial and other information on the Drug Clinical Trial Registration and Information Platform for clinical trials of drugs. During the clinical trial of drugs, the sponsor shall update registration information continuously, and register information on the outcome of the clinical trial of drugs upon completion of the clinical trial of drugs. The registration information shall be published on the platform and the sponsor shall be responsible for the veracity of such information. More details are provided in the Announcement on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》) released by the CFDA on September 6, 2013 and came into effect on the same day.

Phases of Clinical Trials

According to the Measures for the Administration of Drug Registration, a clinical trial consists of Phases I, II, III, IV and bio-equivalence trial. Pursuant to the characteristics of a drug and the research purpose, the research contents shall include clinical pharmacological research, exploratory clinical trial, confirmatory clinical trial and post-marketing research.

According to the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》) promulgated by the NMPA and NHC on November 29, 2019 and taking effect from December 1, 2019, if engaging in drug development activities and conducting clinical trials of drugs, including bio-equivalence trials conducted after filing, approved by the NMPA within the territory PRC, they shall be conducted in the Drug Clinical Trial Institutions. Drug clinical trial institutions shall be subject to filing administration.

Pursuant to the Measures for the Administration of Drug Registration, a clinical drug trial to be carried out shall be examined and approved by the ethics committee and comply with the relevant requirements of the GCP. The sponsor shall submit safety update reports on the CDE website regularly during the research and development period. The sponsor shall promptly report to the CDE regarding suspicious and unexpected serious adverse reaction and other potential serious safety risks arising in the course of the clinical trial. Based on the severity of the safety risks, the sponsor may be required to adopt measures to strengthen risk control, and may be required to suspend or terminate the clinical trial of drugs where necessary.

According to the Announcement of the NMPA on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》), which was promulgated by the NMPA on July 24, 2018 and came into effect on the same day, if a new drug clinical trial has been approved to be carried out, after the completion of Phase I and Phase II clinical trials and before the implementation of Phase III clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the design of the Phase III clinical trials.

According to Article 27 of the Measures for the Administration of Drug Registration, where a drug that has been approved for clinical trials intends to add new indications (or functions and indications) or to be used in combination with other drugs, the applicant shall submit a new drug clinical trial application, which may only be conducted after approval.

Pursuant to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials (Announcement No. 50 of 2018), applicants should submit an application for communication and meeting with the Center for Drug Evaluation (CDE) before submitting the first clinical trial application for a new drug. During an ongoing approved clinical trial, if an application is made to add a new indication, the applicant may either submit a new clinical trial application directly, or first submit a communication application in accordance with this procedure before making a decision. When submitting a new clinical trial application, materials that are duplicative of those in the first application may be exempted from submission, but the reference numbers of the relevant materials in the first application should be listed in the application materials.

Gathering, Collection, Approval or Filing relating to Chinese Human Genetic Resources

According to the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例》) promulgated by the State Council on May 28, 2019, last amended on March 10, 2024, and taking effect from May 1, 2024, human genetic resource includes human genetic resource materials and human genetic resource information. Human genetic resource materials refer to organs, tissues, cells and other genetic materials containing human genome, genes and other genetic materials. Human genetic resource information refers to information, such as data, generated by human genetic resources materials. The Administrative Regulations on Human Genetic Resources clarify that, in order to obtain marketing authorization for relevant drugs in China, no approval is required in international clinical trial cooperation using China's human genetic resources at clinical institutions without export of human genetic resource materials. However, the type, quantity and usage of the human genetic resource to be used shall be filed with the administrative department

of health under the State Council before clinical trials. Foreign organizations, individuals and institutions established or actually controlled by foreign organizations and individuals are not allowed to collect or preserve human genetic resources in China or provide human genetic resources abroad.

Detailed Rules for the Implementation of the Regulation on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which was promulgated by the MOST on May 26, 2023 and took effect from July 1, 2023, further clarifies the requirements for administrative licensing, record-keeping, and security review in relation to the collection, conservation, utilization, and external provision of Chinese human genetic resources, as well as detailing matters relating to the supervisory review and administrative penalties.

Regulations on International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (For Trial Implementation) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》), (the "**Multi-Center Clinical Trial Guidelines**"), promulgated by the CFDA on January 30, 2015 and effective from March 1, 2015, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. When the applicants plan to implement the international multi-center clinical trials in the PRC, the applicants shall comply with relevant laws and regulations, such as the Drug Administration Law, the Implementing Regulations of the Drug Administration Law and the Measures for the Administration of Drug Registration, execute the GCP, make reference to universal international principles such as the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH), and comply with the laws and regulations of the countries involved in the international multi-center clinical trials. If the applicants plan to use the data derived from the international multi-center clinical trials for approval of a drug registration in the PRC, it shall involve at least two countries, including China, and shall satisfy the requirements for clinical trials set forth in the Multi-Center Clinical Trial Guidelines and other related laws and regulations.

According to the Opinion on Deepening the Reform of the Evaluation and Approval Systems and Encouraging Innovation on Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) promulgated and implemented by the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on October 8, 2017, clinical trial data obtained in international multi-center that meets the requirements for registration of drugs and medical devices in China can be used to apply for registration in China.

According to the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) promulgated and implemented by the NMPA on July 6, 2018, the basic principles for accepting overseas clinical trial data include: (1) applicants shall ensure the authenticity, integrity, accuracy and trace-ability of overseas clinical trial data; (2) the process of generating overseas clinical trial data shall comply with the relevant requirements of the ICH-GCP; (3) applicants shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system with the requirements, and the accuracy and integrity of statistical analysis of data; and (4) to ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous R&D at home and abroad and forthcoming clinical trials in China, the applicants may, prior to implementing registrational clinical trials, contact the CDE to ensure the compliance of registrational clinical trial's design with the essential technical requirements for drug registration in China.

New Drug Application, Registration and Marketing Authorization

According to the Measures for the Administration of Drug Registration, an applicant may file an application for drug marketing authorization, after the completion of pharmaceutical, pharmacological and toxicological studies, clinical trials of drugs and other studies, determination of quality standards, the verification of commercial scale production process, and preparations to receive the check and inspection for drug registration. According to the Measures for the Administration of Drug Registration, drug marketing registration applications shall be subject to three categories, namely traditional Chinese drugs, chemical drugs and biological products. The CDE shall organize pharmacist, medical and other technical personnel to comprehensively review

the application regarding the safety, effectiveness and quality control of the drug. Where the application is cleared by the comprehensive review, the drug shall be approved for marketing and a drug registration certificate shall be issued.

Accelerated Approval for Clinical Trial and Registration

The Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment (《關於改革藥品醫療器械審評審批制度的意見》) promulgated by the State Council on August 9, 2015 and became effective from the same date established a framework for reforming the evaluation and approval system for drugs and medical devices, and indicated enhancing the standard of approval for drug registration and accelerating the evaluation and approval process for drugs.

According to the Announcement of Several Policies on the Evaluation and Examination for Drug Registration (《關於藥品註冊審評審批若干政策的公告》) promulgated and implemented by the CFDA on November 11, 2015, the IND of new drugs are subject to one-off umbrella approval instead of declaration, evaluation and approval by stages.

The CFDA promulgated and implemented the Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》) on December 21, 2017, which further clarifies that a fast track clinical trial approval or drug marketing registration pathway will be available to drugs. The Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation was replaced by the Announcement of NMPA on Promulgating Three Documents including the Working Procedures for Evaluation of Breakthrough Therapy Designation Drugs (For Trial Implementation) (《國家藥監局關於發佈<突破性治療藥物審評工作程序(試行)>等三個文件的公告》), which was promulgated and implemented on July 7, 2020, refines the requirements and scope of the fast track.

According to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly promulgated and implemented by the NMPA and the NHC on May 17, 2018, the CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of fast track clinical trial approval.

To further implement the reform of the evaluation and approval systems, on September 12, 2025, the NMPA issued the Notice Concerning Issues Related to Optimizing the Evaluation and Approval for Clinical Trials of Innovative Drugs (《關於優化創新藥臨床試驗審評審批有關事項的公告》), which took effective on the same day. Building upon prior pilot experience, this notice promotes and implements nationwide measures to optimize the evaluation and approval process for clinical trials of innovative drugs.

Laws and Regulations on the manufacture and distribution of pharmaceutical products

Drug Manufacturing

The Good Manufacturing Practices for Pharmaceutical Products (《藥品生產質量管理規範》) (the "**GMP**") promulgated by the Ministry of Health of the PRC on December 28, 1992, last amended on January 17, 2011 and taking effect on March 1, 2011, provides guidance for the quality management, organization and staffing, production premises and facilities, equipment, materials and products, recognition and inspection, documentation maintenance, manufacture management, quality control and quality assurance, contractual manufacture and contractual inspection for the products, product delivery and recalls of a manufacturer in a systematical manner.

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) and the Implementing Regulations, a drug manufacturer must obtain a Drug Manufacturing Certificate (藥品生產許可證) from the drug regulatory authority at provincial, autonomous regional or municipal level before it may start manufacturing drugs in the PRC. The Drug Manufacturing Certificate shall indicate the validity period and the scope of production. Each Drug Manufacturing Certificate is valid for a period of five years and the manufacturer is required to apply for renewal of the permit within six months prior to its expiration date.

Prior to December 1, 2019, a drug manufacturer shall apply for GMP certification to the drug supervision and administration department and obtain the GMP certificate in accordance with the relevant provisions. Pursuant to the Announcement on the Relevant Issues 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》), promulgated and implemented by the NMPA on November 29, 2019, the GMP and Good Supply Practice (GSP) certifications have been canceled from December 1, 2019, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. However, according to the Drug Administration Law, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintains to meet the statutory requirements.

On May 24, 2021, the NMPA promulgated the Administrative Measures for Drug Inspection (For Trial Implementation) (《藥品檢查管理辦法(試行)》) which was amended on July 19, 2023, and the Administrative Measures for the Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》) was repealed concurrently. The Administrative Measures for Drug Inspection (For Trial Implementation) provides that if a drug manufacturer applies for a drug manufacturing license for the first time, onsite inspections to be conducted in accordance with the GMP requirements is required, while for a drug manufacturer applying for the reissue of a drug manufacturing license, the review will be conducted based on the risk management principles, taking into account certain factors, including the drug manufacturer's compliance with the laws and regulations of drug administration, the drug manufacturer's operation of the GMP system and quality management system, and inspections on the drug manufacturer's conformity to the GMP requirements may be conducted where necessary.

Contract Manufacturing of Drug

The Drug Administration Law specifies that a holder of drug sales approval may produce drugs by itself or may entrust other drug manufacturers. A holder of drug sales approval that intends to manufacture drugs on its own shall obtain a drug manufacturing permit, or if the holder intends to entrust a third-party to manufacture, it shall entrust a qualified drug manufacturer.

According to the Provisions on the Supervision and Administration of Commissioned Production of Drugs (《藥品委託生產監督管理規定》) promulgated by the CFDA on August 14, 2014 and became effective from October 1, 2014, a drug manufacturer may commission its drugs to other domestic drug manufacturers to produce the drugs only when the production conditions are temporarily unavailable as a result of technical upgrading or the temporary inadequate capacity cannot guarantee the market supply. Such commissioning production arrangement shall be approved by the food and drug regulatory authority of the province, autonomous region or municipality.

Laws and Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the National People's Congress (全國人民代表大會常務委員會) (the "**SCNPC**") on December 29, 1993 and further amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively. The PRC Company Law also applies to foreign-invested joint stock limited companies.

Investment activities in the PRC by foreign investors are governed by the Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》), which was promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was promulgated by the Ministry of Commerce of the PRC (the "**MOFCOM**") and the National Development and Reform Commission (the "**NDRC**") on September 6, 2024 and came into effect on November 1, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraged Catalogue**"), which was promulgated by the MOFCOM and the NDRC on December 15, 2025 and came into effect on February 1, 2026. The Provisions on Guiding Foreign Investment Direction divides foreign investment projects into four categories, namely "encouraged", "permitted", "restricted" and "prohibited" categories. The Encouraged Catalogue lists the foreign investment projects of the encouraged category, while the Negative List set out the foreign investment projects of the restricted and prohibited categories, and foreign investment projects which fall outside the

encouraged, restricted and prohibited categories belong to the permitted category. The Negative List sets out the restrictive measures in a unified manner, such as the requirements on shareholding percentages and corporate governance, for the access of foreign investments, and the industries that are prohibited from receiving foreign investment. The Negative List covers 11 industries, and any field not falling under the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was promulgated by the National People's Congress of the PRC (the "**NPC**") on March 15, 2019 and came into effect on January 1, 2020. The investment activities of foreign natural persons, enterprises or other organizations (collectively, the "**Foreign Investors**") directly or indirectly within the territory of China shall comply with and be governed by the Foreign Investment Law.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the SAMR on December 30, 2019, which came into effect on January 1, 2020. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities in accordance with the Measures on Reporting of Foreign Investment Information.

The Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and MOFCOM on December 19, 2020 and taking effect on January 18, 2021 sets forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

Laws and Regulations on Self-Owned Real Properties

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which was promulgated by the NPC on May 28, 2020 and became effective from January 1, 2021, the creation, alteration, alienation, or extinguishment of the property right of a real property shall become effective upon registration in accordance with law. The certificate of ownership of real property shall be an evidence of the right holder's entitlement in the real property.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and became effective from January 1, 2020, China implements "socialist public ownership of land", that is, ownership by the whole people or collective ownership by the working masses. The State formulates an overall land utilization plan to stipulate land use, classifying land into agricultural land, construction land, or unused land. Entities or individuals using land must use the land strictly in accordance with the purposes of land use determined in the overall land utilization plan.

Laws and Regulations on Lease of Real Property

On December 1, 2010, the Ministry of Housing and Urban-Rural Development of the PRC (the "**MOHURD**") promulgated the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, a commodity housing lease contract should be registered with the competent municipal or county level housing and construction authority within 30 days after the execution of the lease contract. Those who fail to comply with the aforementioned filing regulations may be ordered by the competent authority to correct within a time limit. If the entity does not correct within the specified period, it may be subject to a fine ranging from RMB1,000 to RMB10,000.

Regulations on Construction

Laws and Regulations on Enterprise Investment Projects

According to Regulations on the Administration of Approval and Record-Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) which was promulgated by the State Council on November 30, 2016 and became effective from February 1, 2017, pre-approval is required for projects that have national security concern or relate to major productivity distribution, strategic resource development and major public interests, and projects other than the aforesaid ones are subject to administration by way of filing. The Notice of the State Council on Issuing the Catalogue of Investment Projects Approved by the Government (2016 Version) (《國務院關於發佈政府核准的投資項目目錄(2016年本)的通知》) issued by the State Council and taking effect from December 12, 2016 sets out projects required for pre-approval.

Construction Permit

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997 and last amended with effect from April 23, 2019, a construction entity shall, prior to the commencement of a construction work, apply for a construction permit (施工許可證) from the competent construction administrative authority, except that certain small-scale projects that meet the requirements and conditions set by the competent construction administrative authority are exempted from obtaining a construction permit.

Acceptance on Completion of Construction

According to the Administrative Measures for the Administration of Completion Acceptance and Filing of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the MOHURD and taking effect from October 19, 2009, any entity in China that carries out construction works to build, expand or re-build real properties or municipal infrastructure projects shall, within 15 days after the acceptance and of the relevant construction work, make a record-filing with the competent construction administration authority.

Laws and Regulations on Environmental Protection, Health and Safety

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 SCNPC on December 26, 1989, amended on April 24, 2014 and became effective from January 1, 2015, all enterprises and institutions which discharge pollutants shall adopt measures to prevent and control pollution and damage to the environment from waste gas, waste water, waste residues, medical waste, dust, malodorous gases, radioactive substances, noise, vibration, ray radiation and electromagnetic radiation generated in the course of production, construction or other activities. The relevant authorities are authorized to impose various types of penalties on the persons or entities in violation of the environmental regulations, including fines, restriction or suspension of operation, shut-down, detention of office-in-charge, etc.

Environmental Impact Assessment

According to the Environmental Protection Law, 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 last amended with effect from December 29, 2018, the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and came into effect from October 1, 2017, and other relevant environmental laws and regulations, enterprises which plan to construct projects shall provide the environmental assessment reports, assessment form, or registration form on the environmental impact of such projects with relevant environmental protection administrative authority for approval or filing. Enterprises shall, after the completion of the construction project for which the environmental assessment reports, assessment form is prepared, according to standards and procedures prescribed by the environmental protection administrative department of the State Council, conduct acceptance check of the constructed supporting environmental protection facilities and prepare the acceptance check report.

Completion and Acceptance

According to the Administrative Regulations on the Environmental Protection of Construction Projects, for construction projects that involve the preparation of an environmental impact statement or report form, the construction unit shall, after completion, conduct an acceptance inspection of the supporting environmental protection facilities in accordance with the standards and procedures stipulated by the State Council's environmental protection administrative department, and prepare an acceptance report.

Pollutant Discharge

According to the Administrative Measures for Pollutant Discharge Licensing (《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 on July 1, 2024, enterprises, institutions and other producers and operators subject to the management of discharge permits shall apply for discharge permits and discharge pollutants in accordance with the requirements of the discharge permits; those who have not obtained discharge permits shall not discharge pollutants.

Production Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021 and taking effect from September 1, 2021, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and business operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and know their own rights and duties in terms of production safety. Employees who fail the education and training programmes on production safety may not commence working in their positions. Safety facilities of new building, rebuilding or expanding project (the "**Construction Project**") shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the Construction Project.

Prevention and Control of Occupational Diseases

According to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001 and last amended with effect from December 29, 2018, the Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects (《建設項目職業病防護設施"三同時"監督管理辦法》), which was promulgated by the State Administration of Work Safety (now abolished) on March 9, 2017 and became effective on May 1, 2017, and the Measures for the Declaration of Projects with Occupational Hazards (《職業病危害項目申報辦法》), which was promulgated by the State Administration of Work Safety (now abolished) on April 27, 2012 and became effective on June 1, 2012, the facilities for the prevention and control of occupational diseases of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project. In addition, employers shall take required administrative measures to prevent and control occupational diseases in work.

Laws and Regulations on Explosive-Prone Chemicals

Precursor Chemicals

According to the Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》), which was promulgated by the State Council on August 26, 2005, effective on November 1, 2005, and revised on July 29, 2014, February 6, 2016 and September 18, 2018, the State regulates the production, operation, purchase, transportation, import and export of precursor chemicals. Units that purchase Category II and Category III precursor chemicals shall report the types and quantities of required precursor chemicals to the public security organs of the local people's governments at the county level for filing before purchasing.

Explosive Precursors

According to the Measures for the Public Security Management of Explosives Precursors (《易製爆危險化學品治安管理辦法》) issued by the Ministry of Public Security on July 6, 2019 and effective on August 10, 2019, enterprises which have obtained permits for safe production of hazardous chemicals, permits for the safe use of hazardous chemicals and permits for business operation of hazardous chemicals in accordance with the law shall purchase explosive precursor hazardous chemicals with the corresponding licenses. Other entities that purchase explosive precursors shall submit the following materials to the selling unit: (I) photocopies of legal certificates of the entity such as business license (《營業執照》), and legal person certificate for a public institution (《事業單位法人證書》), as well as a photocopy of the identity certificate of the responsible person; and (II) instructions on how to legally use explosives precursors, including such contents as specific usage, types, and quantity of explosives precursors. A buyer of explosives precursors shall, within five days after purchasing, shall report the information about the types, quantity and flowing direction of explosives precursors purchased to the local county-level public security organ for filing.

Laws and Regulations on Employment and Social Insurance

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") issued by the SCNPC on October 28, 2010 and latest amended with effect from December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行 條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees.

On July 31, 2025, the Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on 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)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes to the employer that there is no need to pay social insurance contributions, the people's court shall determine that such agreement or undertaking is invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law, the people's court shall support such claims in accordance with the law.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, amended with effect on March 24, 2002 and March 24, 2019 respectively, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

Laws and Regulations on Intellectual Properties

Patents

Pursuant to 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 latest amended on October 17, 2020 and effective as 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 was promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023 and effective as from January 20, 2024, there are three types of patent in the PRC: invention patent, utility model patent and design patent. The current protection period is 20 years for invention patent, 10 years for utility model patent and 15 years for design patent, commencing from their respective application dates. Any individual or entity that utilizes a patent or conducts any other activity in infringement of a patent without prior authorization of the patentee shall pay compensation to the patentee and is subject to a fine imposed by relevant administrative authorities and, if constituting a crime, shall be held criminally liable in accordance with the law.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982, amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019 respectively and effective as from November 1, 2019, the period of validity for a registered trademark is 10 years, commencing from the date of registration. A trademark registrant intending to continue to use the registered trademark upon expiry of the period of validity shall undergo the renewal formalities within 12 months before expiry according to the relevant provisions.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. These law and regulations provide provisions on the classification of works and the obtaining and protection of copyright.

Domain names

Domain names are protected under the Administrative Measures for the Internet Domain Names of China (《中國互聯網絡域名管理辦法》) promulgated by the Ministry of Information Industry of the PRC (has been integrated into the Ministry of Industry and Information Technology of the PRC (the "**MIIT**")) on November 5, 2004. This regulation was replaced by the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was issued by the MIIT on August 24, 2017 and effective as of November 1, 2017. The MIIT is the main regulatory body responsible for the administration of the PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations. The domain name services follow a "apply first, register first" principle.

Trade Secrets

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), which was promulgated by the SCNPC on September 2, 1993 and latest amended on June 27, 2025, as well as taking effect and being implemented on October 15, 2025, a business shall not commit the following acts of infringing upon trade secrets: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means, (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the preceding subparagraph, (iii) disclosing, using, or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential, (iv) abetting a person, or tempting, or aiding a person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. An illegal act as set forth in the preceding sentences committed by a natural person, legal person or non-legal persons shall be treated as infringement of the trade secret.

Laws and Regulations Related to Tax

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC promulgated by the NPC on March 16, 2007 and last amended and effective from December 29, 2018 by the SCNPC and its implementation rules, the Enterprise Income Tax Law of the PRC generally imposes a uniform enterprise income tax rate of 25% on all resident enterprises in China, including foreign-invested enterprises. The Enterprise Income Tax Law of the PRC and its implementation rules permit the enterprises qualified as "High and New Technologies Enterprises" to enjoy a reduced 15% enterprise income tax rate.

Value-added Tax

According to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council, which came into effect on January 1, 1994, and was amended on November 10, 2008, February 6, 2016 and November 19, 2017, and the Detailed Implementing Rules of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the Ministry of Finance of the PRC (the "**MOF**"), which came into effect on December 25, 1993 and was amended in December 15, 2008 and October 28, 2011, unless otherwise specified, taxpayers that sell goods, labor services, or tangible personal property leasing services or import goods in China shall pay VAT at a tax rate of 17%; the sales of transportation, postal services, basic telecommunications, construction, and real property leasing services, the sales of real property, and the transfer of land use rights shall be subject to VAT at a tax rate of 11%; the sales of services and intangible assets shall be subject to VAT at a tax rate of 6% unless otherwise provided.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) issued on April 4, 2018 and became effective from May 1, 2018, the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening the Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued by the MOF and other relevant authorities on March 20, 2019, and became effective from April 1, 2019, the previous applicable VAT rate of 16% and 10% will be adjusted to 13% and 9% respectively for VAT general taxpayers' taxable sales activities or imported goods.

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which came into effect on January 1, 2026. According to the Value-added Tax Law of the PRC, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From the effective date of the Value-added Tax Law of the PRC, the Provisional Regulations on Value-added Tax of the PRC was repealed.

Laws and Regulations on Foreign Exchange and Dividend Distribution

Foreign Exchange Control

The PRC Regulations for the Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996 and amended on January 14, 1997 and August 5, 2008, established the regulatory framework of the administration on foreign currency exchange in China. Under the PRC Regulations for the Foreign Exchange Administration, payments of current account items, such as trade, services, benefits or current transfer-related transactions in foreign currencies, in foreign currency may be proceeded without prior approval from the SAFE as long as certain procedural requirements are complied with. By contrast, approval from, or registration with, appropriate administrative authorities is required where RMB is to be converted into foreign currency and remitted out of China for items under the capital account such as repayment of foreign currency denominated loans or foreign currency is to be remitted into China under the capital account, such as a capital increase or foreign currency loans extended by an offshore entity to an entity in China.

According to the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Policies on Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) and its appendix promulgated in November 2012 and amended in May 2015, October 2018 and December 2019 by the SAFE, the foreign exchange procedures are further simplified: (1) the opening of and payment into foreign exchange accounts under direct investment are no longer subject to approval by the SAFE; (2) reinvestment with legal income of foreign investors in China is no longer subject to approval by SAFE; (3) the procedures for capital verification and confirmation that foreign-invested enterprises need to go through are simplified; (4) purchase and external payment of foreign exchange under direct investment are no longer subject to approval by SAFE; (5) domestic transfer of foreign exchange under direct investment is no longer subject to approval by SAFE; and (6) the administration over the settlement of foreign exchange capital of foreign-invested enterprises is improved. Later, the SAFE issued the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of 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》) in February 2015 which became effective in June 2015 and was further amended in December 2019, prescribes that the banks instead of the SAFE can directly handle foreign exchange registrations under foreign direct investment and outbound investment while the SAFE and its branches indirectly supervise the foreign exchange registration under foreign direct investment through the bank. On April 3, 2024, the SAFE promulgated the Guidelines on Foreign Exchange Operations for Capital Projects (2024 Edition) (《資本項目外匯業務指引(2024年版)》), which became effective on May 6, 2024, to provide guidelines on foreign exchange operations for capital projects.

According to the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) issued by the SAFE on March 30, 2015, amended with effect on December 30, 2019 and March 23, 2023 respectively, and the Notice on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (《關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on June 9, 2016 and amended with effect on December 4, 2023, discretionary settlement of foreign exchange receipts under capital accounts means that domestic institutions may settle their foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as explicitly prescribed in the relevant policies with banks according to their actual operation needs. Domestic institutions may, at their discretion, settle up to 100% of all foreign exchange receipts under capital accounts for the time being, and the SAFE may adjust the aforesaid proportion in due time according to the situation of international balance of payments. The Notice of the State Administration of Foreign Exchange on Further Deepening the Reform 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》) promulgated and implemented by the SAFE on December 4, 2023 further facilitates the payment and use of funds raised by foreign investment enterprises through overseas listing. The asset realization account under the capital account shall be adjusted to the settlement account under the capital account. The foreign exchange funds raised by a domestic enterprise in overseas listing may be directly remitted to the settlement account under the capital account. The funds in the settlement account under the capital account may be settled and used on its own.

According to the Notice on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE in April 2020, eligible enterprises are allowed to make domestic payments by using

their funds received by way of capital contribution, foreign debts and overseas listing, with no need to provide the evidentiary materials concerning authenticity of such payment to banks in advance, provided that their capital use shall be authentic and compliant, and conform with the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct ex post spot check and the local branches of the SAFE shall strengthen monitoring analysis and interim and ex post regulation in accordance with the relevant requirements.

Dividends Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law. Under these regulations, joint stock limited companies (including foreign-invested enterprises) in the PRC may pay dividends only out of their accumulated profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, companies are required to allocate at least 10% of their accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises.

The SAFE issued the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Administration Reform (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) in January 2017, which stipulates several capital control measures with respect to outbound remittance of profits from domestic entities to offshore entities, including the following: (1) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements for any remittance of profits of more than (not excluding) USD50,000; and (2) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, domestic entities shall make detailed explanations of sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration and outward remittance procedures in connection with an outbound investment.

Laws and Regulations on Overseas Listing

CSRC Filing Requirements for Overseas Offering and Listing

On February 17, 2023, the CSRC released 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》) and the supporting guidelines (together, the "**Trial Filing Measures**"), which came into effect on March 31, 2023. If a domestic company seeks for overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Filing Measures.

According to the Trial Filing Measures, the issuer shall submit the required filing documents to the CSRC within three working days after the overseas listing application is submitted to the relevant overseas regulator or listing venue. Once the filing documents are complete and in compliance with the stipulated requirements, the CSRC will, within 20 working days, conclude the review procedure and publish the filing results on the CSRC website. To the extent the filing documents are incomplete or do not conform to stipulated requirements, the CSRC will, within five working days upon receipt of filing documents, request supplementation and amendment to the filing. Then the issuer has 30 working days to prepare any requested supplemented/amended filing. In addition, following the listing in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of the following events involving the issuer: (1) change of control; (2) investigations or sanctions imposed by overseas regulators; (3) change of listing status or transfer of listing market; and (4) voluntary or involuntary delisting.

The Trial Filing Measures also stipulates that following cases may be rejected by the CSRC: (1) offerings and listings are explicitly prohibited by laws and regulations; (2) offerings and listings may endanger national security as reviewed and determined by competent authorities under the PRC State Council in accordance with law; (3) domestic companies of the listing applicant or its controlling shareholder or actual controlling person are involved in criminal offenses in the last three years, such as corruption, bribery, embezzlement, misappropriation of property, or undermining the order of the socialist market economy; (4) domestic companies of the listing applicant is under investigations for suspicion of criminal offenses or is involved in major violations of laws and regulations and no conclusion of the investigation has yet been made; or (5) there are material ownership disputes over equity interests held by controlling shareholders or by shareholders who are controlled by the controlling shareholder or actual controlling person.

CSRC Requirements for Full Circulation

On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the filing with the CSRC for full circulation has been completed, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

On September 20, 2024, China Securities Depository and Clearing (Hong Kong) Limited also promulgated the revised Guide of China Securities Depository and Clearing (Hong Kong) Limited to the Program for Full Circulation of H-shares (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), which came into effect on September 23, to specify the relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

To align with the adjustment of the charging standards for share settlement fees (continuous net settlement) in the Hong Kong market, on June 27, 2025, the Shenzhen Branch of CSDC amended 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》), which has come in to force as of June 30, 2025.

CSRC Requirements on Confidentiality and Archives Administration for Overseas Offering and Listing

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and National Archives Administration of China jointly released the revised Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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 "**Archives Administration Provisions**"), which came into effect on March 31, 2023. According to the Archives Administration Provisions, the Domestic Companies shall establish and implement a solid confidentiality and archives administration system.

In terms of providing accounting archives or copies thereof to any other entities or persons, such as securities companies, securities services providers and overseas regulators, the Archives Administration Provisions stipulate that relevant governmental procedures should be complied. Any violation of the above regulations may subject the Domestic Companies to regulatory penalties under the Safeguarding State Secrets Law of the PRC (《中華人民共和國保守國家秘密法》) and the Archives Law of the PRC (《中華人民共和國檔案法》) and even criminal liabilities to the extent applicable.