TAXES FOR SECURITIES HOLDERS

The income tax and the tax on capital gains for holders of H Shares shall be subject to the laws and practices of the PRC and the jurisdictions in which the holders of H Shares are residents or subject to taxes for other reasons. The following summary of certain relevant tax provisions is based on current laws and practices, and does not take into consideration the anticipated changes in or amendments to the relevant laws or policies or constitute any opinions or suggestions. The discussion does not address all the possible tax implications associated with H-Shares of [**REDACTED**], nor does it take into account the particular circumstances, some of which may be subject to special rules. Accordingly, you should consult your own tax adviser as to the tax implications of [**REDACTED**] in the H-Shares. The discussion is based on the laws and the relevant interpretations in force as of the Latest Practicable Date. All these laws and relevant interpretations are subject to changes or adjustments and may have a retrospective effect.

Apart from the income tax, tax on capital gains and profit tax, sales tax, value-added tax, stamp duty and estate duty, the discussion does not address any aspects of the PRC taxation. Prospective [**REDACTED**] should consult their financial advisors regarding the Chinese and other tax implications of holding and disposing of H-shares.

Mainland China Taxation

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) or the Individual Income Tax Law (《個人所得稅法》) revised by the Standing Committee of the National People's Congress (the "NPCSC") on August 31, 2018 and effective as of January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》) revised by the State Council on December 18, 2018 and effective as of January 1, 2019, dividends distributed by domestic companies to individual investors shall be subject to withholding individual income tax at the uniform rate of 20%. Meanwhile, according to the Circular on Issues Relating to the Differential Individual Income Tax Policy on Dividends of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on September 7, 2015 and effective as of September 8, 2015, individuals are temporarily exempted from individual income tax on dividends from shares of listed companies acquired from the public offering and transfer market and held for a period of more than one year. For the shares of listed companies acquired from the public offering and transfer market and held for less than one month (inclusive), all the dividend income shall be included in taxable income; whereas for shares held for above one month to one year (inclusive), 50% of the dividend income shall be included in taxable income; and their applicable uniform tax rate is 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable. Where a Hong Kong resident directly holds at least 25% of the shares in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and other conditions are satisfied, the tariff imposed shall not exceed 5% of the total dividends payable of the PRC company. The Fifth Protocol on the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income issued by the State Administration of Taxation (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) or the Fifth Protocol (《第五議定書》), which was promulgated by the State Administration of Taxation and became effective on December 6, 2019, provides that such provisions shall not apply to any arrangement or transaction for one of the main purposes thereof to obtain such tax preference.

Enterprise Investors

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) or the EIT Law (《企業所得稅法》) revised by the NPCSC and effective as of December 29, 2018 and the Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) or the Implementation Regulations of the EIT Law (《企業所得稅法實施條例》) revised by the State Council and effective on April 23, 2019, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise whose shares are issued and listed in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC, or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The income tax payable by a non-resident enterprise shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid to the non-resident enterprise when such payment is made or due. This taxation may be reduced or exempted in accordance with the applicable treaty for the avoidance of double taxation.

According to the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-resident Enterprise Shareholders of H Shares《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》released by the State Administration of Taxation (the "SAT") and effective on November 6, 2008, a PRC resident enterprise paying dividends since the year of 2008 to its non-resident enterprises shareholders of H shares shall withhold the enterprise income tax thereon at the uniform rate of 10%. The Reply on the Issue of Enterprise Income Tax on

Dividends on B Shares and Other Stocks Acquired by Non-Resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was promulgated by the SAT and became effective on July 24, 2009, further provides that PRC resident enterprises that have publicly issued shares (including A-shares, B-shares and overseas shares) on domestic and overseas stock exchanges shall withhold enterprise income tax at a uniform rate of 10% when distributing dividends since the year of 2008 and years thereafter to non-resident enterprises shareholders. The above tax rate may be further adjusted in accordance with the tax treaties or agreements entered into by and between the PRC and the relevant jurisdictions, as applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but the relevant tax shall not exceed 10% of the total dividends payable by the PRC company. Where a Hong Kong resident directly holds at least 25% of the shares in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and other conditions are satisfied, the tax imposed shall not exceed 5% of the total dividends payable of the PRC company. The Fifth Protocol provides that such provisions shall not apply to any arrangement or transaction for one of the main purposes thereof to obtain such tax preference.

In accordance with applicable regulations, we intend to withhold the income tax at the tax rate of 10% from dividends paid to non-PRC resident enterprise shareholders (including HKSCC nominees) of our H Shares. Non-PRC resident enterprises, which are entitled to enjoy tax reduction or exemption pursuant to the applicable income tax treaty, shall apply to the tax authorities in China for the refund of the amount of withheld tax exceeding the tax rate under the applicable income tax treaty, and the tax refund shall be verified by the tax authorities in China.

Taxes Involved in Income from Share Transfers

Individual Investors

According to the Individual Income Tax Law and its implementation regulations, gains from the sale of shares held by a PRC resident enterprise shall be levied with individual income tax at a rate of 20%. According to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) promulgated by the Ministry of Finance (the "MOF") and the SAT and effective on March 30, 1998, as of January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT did not explicitly specify in the newly revised EIT Law and the Implementation Regulations of the EIT Law whether the individual income tax on income of individuals from the transfer of shares in listed companies shall continue to be exempted.

Enterprise Investors

In accordance with the EIT Law and its implementing regulations, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including gains from the sale of shares held by a PRC resident enterprise), if such non-resident enterprise does not have an establishment or place in the PRC, or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The income tax payable by a non-resident enterprise shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid to the non-resident enterprise when such payment is made or due. The tax may be reduced or exempted pursuant to the applicable tax treaty or arrangement.

Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Circular on Tax Policies relating to the Pilot Program of Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) issued by the MOF, the SAT and the CSRC on October 31, 2014 and effective as of November 17, 2014, gains from the transfer price difference from investments by domestic enterprises in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect shall be included in their total revenues subject to EIT in accordance with the law. For dividends received by mainland individual investors investing in H-shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect, the H-share company shall apply to CSDC, which shall provide the H-share company with the roster of mainland individual investors, and then the H-share company shall withhold the individual income tax according to the tax rate of 20%.

According to the Announcement on Continued Implementation of Individual Income Tax Policies relating to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Mutual Recognition of Funds between the Mainland China and the Hong Kong Special Administrative Region (關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same day, individual income tax shall be exempted on gains from the transfer price difference from investments by mainland individual investors in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect to December 31, 2027.

According to the Circular on Tax Policies relating to the Pilot Program of Shanghai-Hong Kong Stock Connect, income from dividends from investments by mainland resident enterprises in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect shall be included in their total revenue and subject to enterprise income tax in accordance with the law. Dividend income derived by mainland resident enterprises from holding H-shares continuously for 12 months is exempted from enterprise income tax in accordance with the law. The company of such H Shares will not withhold the income tax on dividends for mainland enterprise investors and those investors shall report and pay the relevant tax themselves.

Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Circular on Tax Policies relating to the Pilot Program of Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) issued by the MOF, the SAT and the CSRC on November 5, 2016 and effective as of December 5, 2016, gains from the transfer price difference from investments by domestic enterprises in stocks listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall be included in their total revenue and subject to EIT in accordance with the law. For dividends received by mainland individual investors investing in H-shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect, the H-share company shall apply to CSDC, which shall provide the H-share company with the roster of mainland individual investors, and then the H-share company shall withhold the individual income tax according to the tax rate of 20%.

According to the Announcement on Continuing the Implementation of Individual Income Tax Policies relating to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Mutual Recognition of Funds between the Mainland China and the Hong Kong Special Administrative Region (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) jointly issued by the MOF, the SAT, and the CSRC on December 4, 2019 and effective as of December 5, 2019 and the Announcement on Continued Implementation of Individual Income Tax Policies relating to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Mutual Recognition of Funds between the Mainland China and the Hong Kong Special Administrative Region (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same day, individual income tax shall be exempted on gains from the transfer price difference from investments by mainland individual investors in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect from December 5, 2019 to December 31, 2027.

According to the Circular on Tax Policies relating to the Pilot Program of Shenzhen-Hong Kong Stock Connect, income from dividends from investments by mainland enterprise investors in stocks listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall be included in their total revenue and subject to enterprise income tax in accordance with the law. Dividend income derived by mainland resident enterprises from holding H-shares continuously for 12 months shall be exempted from enterprise income tax in accordance with the law. The company of such H Shares will not withhold the income tax on dividends for domestic enterprises and those enterprises shall report and pay the relevant tax themselves.

Stamp Duty

According to the Stamp Tax Law of the People's Republic of China (《中華人民共和國印花稅法》) promulgated on June 10, 2021 and effective as of July 1, 2022, disposal of H shares outside China by non-mainland China investors shall not be subject to the Stamp Tax Law of the People's Republic of China.

Estate Tax

According to the PRC laws, no estate tax is currently levied in the Chinese mainland.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China, within the territory of the PRC, the enterprises and other organizations (the "enterprises") that have incomes are taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with this law. The enterprise income tax rate is 25%. High-tech enterprises that the Chinese government needs to prioritize supporting shall be subject to a reduced enterprise income tax rate of 15%.

Enterprises are classified into resident and non-resident enterprises. Where non-resident enterprises do not have an establishment or place in the PRC, or have an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC, they shall be subject to enterprise income tax on PRC-sourced income. The income tax payable by a non-resident enterprise shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid to the non-resident enterprise when such payment is made or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax by way of withholding if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added Tax

According to the Value-Added Tax Law of the People's Republic of China（《中華人民共和國增值稅法》） and the Detailed Rules for the Implementation of the Provisional Regulations on Value-Added Tax of the People's Republic of China,（《中華人民共和國增值稅法實施條例》） which shall come into force simultaneously on January 1, 2026, entities and individuals selling goods, providing processing, repair and maintenance services, leasing tangible movable property services or importing goods within the territory of China shall be value-added tax taxpayers. Unless otherwise stipulated herein, the basic VAT rate applicable to the sale and import of goods is 13%.

According to the Announcement on Matters Concerning the Connection of VAT Preferential Policies Following the Implementation of the Value-Added Tax Law (Announcement No. 10 of 2026 issued by the Ministry of Finance and the State Taxation Administration)（《關於增值稅法施行後增值稅優惠政策銜接事項的公告》（財政部稅務總局公告2026年第10號））, which shall take effect on January 1, 2026, from January 1, 2026 to December 31, 2027, the sales revenue derived by pharmaceutical manufacturers from selling self-developed innovative drugs shall be the total consideration received from purchasers. The identical innovative drugs provided free of charge to patients subsequently shall not be deemed as taxable transactions for value-added tax purposes.

In accordance with the Circular on VAT Policies for Anti-cancer Drugs (《關於抗癌藥品增值稅政策的通知》) jointly promulgated by the MOF, the General Administration of Customs, the SAT, and the National Medical Products Administration on April 27, 2018, as of May 1, 2018, general VAT taxpayers engaged in the production, distribution, and wholesale and retail of anti-cancer drugs may opt to calculate and pay VAT at a rate of 3% under the simplified method. Once the above taxpayers choose the simplified method for VAT calculation and payment, they shall not change it within 36 months. For the purposes of this Circular, anti-cancer drugs refer to anti-cancer preparations and active pharmaceutical ingredients (APIs) registered and approved by the NMPA. The scope of anti-cancer drugs shall be dynamically adjusted, and shall be duly clarified by the NMPA and relevant authorities in light of actual changes.

FOREIGN EXCHANGE CONTROL OF CHINA

Renminbi is the legal currency of the PRC. The State Administration of Foreign Exchange (the "SAFE") is authorized by the People's Bank of China to be responsible for the administration of matters related to foreign exchange, including the implementation of foreign exchange laws and regulations.

According to the Foreign Exchange Control Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》) revised by the State Council and effective on August 5, 2008, all international payments and transfers are classified into current account and capital account. China imposes no restrictions on international payments and transfers under the current account. Foreign exchange earnings of Chinese enterprises under the current account may be retained or sold to the financial institution operating foreign exchange settlement and sale business in accordance with relevant national regulations. Where the foreign exchange earnings under the capital account are to be retained or sold to the financial institution operating foreign exchange settlement and sale business shall be approved by the foreign exchange regulatory authorities, unless it is otherwise provided by the State.

According to the Regulation of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996 and effective on July 1, 1996, other restrictions on foreign exchange convertibility under the current account are abolished, but the existing restrictions on foreign exchange transactions under the capital account remain.

Pursuant to relevant PRC laws and regulations, companies in China (including foreign-invested enterprises) which need foreign exchange for current account transactions may produce valid receipts and transaction vouchers to make payments in their foreign exchange accounts at designated foreign exchange banks, without the need of approval by the SAFE. Foreign-invested enterprises which need to use foreign exchange to distribute profits to shareholders and the Chinese-invested enterprises which need to use foreign exchange to pay fixed dividends pursuant to relevant regulations shall make payment from their foreign exchange account or cash at a designated foreign exchange bank pursuant to a resolution on profit distribution passed by the Board of Directors.

According to the Decision of the State Council on Matters relating to Cancelling and Adjusting A Number of Administrative Examination and Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative examination and approval by the SAFE and its branches for the repatriation and settlement of overseas-raised funds were cancelled.

According to the Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE and effective on December 26, 2014, the relevant provisions on foreign exchange administration for domestic joint stock limited companies (the "domestic companies") engaging in overseas listing are as follows:

(i) The SAFE, and its branches and the department of foreign exchange management (the "Administration of Foreign Exchange") shall supervise, administer and inspect the business registration, opening and use of account, cross-border income and expenditure, and fund exchange involved in the overseas listing of domestic companies.

(ii) The domestic companies shall register for the overseas listing with the relevant materials at the Administration of Foreign Exchange located at its registered address within 15 working days after the completion of the overseas listing and issuance.

(iii) After a domestic company gets listed overseas, if any of its domestic shareholders intends to increase or decrease overseas shares, the domestic shareholder shall handle overseas shareholding registration formalities with the relevant materials at the local Administration of Foreign Exchange within 20 working days prior to the intended share increase or decrease.

(iv) Domestic companies (excluding banking financial institutions) shall, based on the business registration certificate for overseas listing, open a "Special Foreign Exchange Account for Overseas Listing of Domestic Companies" with domestic banks for their initial public offerings (or follow-on offerings) and share repurchase activities, through which relevant fund settlements and transfers shall be processed.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies for the Administration of Foreign Exchange in Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated on February 13, 2015 and effective on June 1, 2015, the SAFE has cancelled the requirement for the foreign exchange registration approval for domestic and overseas direct investments. Instead, the banks are directly responsible for the review and handling of foreign exchange registration for domestic and overseas direct investments, and the SAFE and its branches exercise indirect supervision over foreign exchange registration for direct investment via the banks.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Policy on Settlement Management of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated and implemented by the SAFE on June 9, 2016, relevant policies have made it clear that domestic institutions may settle their foreign exchange incomes under the capital account (including funds raised from the overseas listing), which are subject to discretional settlement, with banks as actually needed for business operation. Domestic institutions may, at their discretion, temporarily settle up to 100% of their foreign exchange incomes under the capital account. The SAFE may adjust the above proportion in accordance with the international balance of payment situation as appropriate.