REGULATORY AUTHORITIES

In addition to the authorities generally administering companies in the PRC, the Company's operation in the PRC are mainly supervised and regulated by the following regulatory authorities of the drug industry: the National Medical Products Administration (國家藥品監督管理局) (the "**NMPA**") and the National Health Commission of the PRC (國家衛生健康委員會) (the "**NHC**").

The NMPA, 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. The Center for Drug Evaluation (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.

The NHC is primary national regulator for public health.

REGULATIONS RELATING TO NEW DRUG

Regulations relating to the Clinical Trials and Registration of Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984 and last amended on August 26, 2019, applies to drug research and development, manufacturing, business operation and use in the PRC and the supervision and administration activities thereof.

Administration of Drug Registration

Pursuant to the provisions of the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) promulgated by SAMR on January 22, 2020 and taking effect from July 1, 2020, the Measures for the Administration of Drug Registration shall apply to drug research and development, registration and supervision and administration in the PRC for the purpose of drug marketing. Drug registration shall be subject to registration and administration by categories, namely Chinese medicine, chemical medicine and biological products.

The valid period of a drug registration certificate shall be five years, and the holder of the drug registration certificate shall ensure the safety, effectiveness and quality control of the marketed drug at all times during the validity period of the certificate, and apply for re-registration of drug six months before expiry of the validity period.

Non-clinical Research

The non-clinical safety evaluation and research conducted for the purpose of drug registration shall comply with the Good Laboratory Practices for Nonclinical Drug Research (《藥物非臨床研究質量管理規範》) promulgated by China Food and Drug Administration (the "**CFDA**", currently under the SAMR) on July 27,2017, and came into effect from September 1, 2017. The Good Laboratory Practices for Nonclinical Drug Research 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, archived and reported.

Clinical Trial Application and Approval

Clinical trials should be conducted when applying for registration of a new drug. After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new clinical drug trials. When applicants submit the application for drug clinical trial, the relevant research materials shall be submitted in accordance with the requirements on declaration materials. Upon form examination, where the declaration

materials are found to comply with the requirements, the application shall be accepted. The CDE shall organize pharmacists, medical personnel and other technicians to review the accepted application for drug clinical trials. Within 60 working days after the acceptance of the application and the fees paid for the clinical trial applications, the applicant may conduct the clinical trials for the drug in accordance with the clinical trial protocol submitted, if the applicant has not received any negative or questioning opinion from the CDE.

Pursuant to the Measures for the Administration of Drug Registration, upon obtaining the clinical trial approval and before commencing a clinical trial, the applicant 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 applicant 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 applicant shall be responsible for the veracity of such information. The Announcement on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》) issued by the CFDA and the Standard for the Management of Drug Clinical Trial Registration and Information Disclosure (Trial) (《藥物臨床試驗登記與信息公示管理規範(試行)》) issued by the CDE provide further details on registration and publication requirements on the Drug Clinical Trial Registration and Information Platform.

Clinical Trials

According to the Measures for the Administration of Drug Registration, a clinical trial consists of Phases 1, 2, 3, 4 and bioequivalence 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.

A clinical drug trial to be carried out shall be examined and approved by the ethics committee. An applicant approved to carry out clinical drug trial shall, before carrying out subsequent clinical drug trial by stages, develop corresponding plan for clinical drug trial, carry out clinical drug trial upon examination and with consent of the ethics committee, and submit corresponding plan for clinical drug trial and supporting materials on the website of CDE.

After obtaining clinical trial approval, the applicant shall choose institutions qualified for clinical trials of the drug to conduct clinical trials.

Clinical trials shall be conducted for the application of new drug registration and shall be implemented in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) promulgated by the NMPA and the NHC on April 23, 2020, with effective from July 1, 2020.

Pursuant to the Measures for the Administration of Drug Registration, applicants may communicate with CDE on major issues at critical stages such as prior to application for clinical trial of a drug, during the process of clinical trial of a drug, and prior to application for marketing authorization of a drug. According to the Measures for the Administration of Communication and Exchange in Drug Development and Technology Review (《藥物研發與技術審評溝通交流管理辦法》) promulgated and implemented by the CDE on December 10, 2020, an applicant may propose to convene a communication meeting with CDE during the process of drug research and development and registration application.

New Drug Application, Registration and Marketing Authorization

Pursuant 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. 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.

According to the Drug Administration Law, an applicant who has obtained a drug registration certificate shall be recognized as a drug marketing authorization holder, responsible for non-clinical laboratory studies, clinical trials, production and distribution, post-market studies, and the monitoring, reporting, and handling of adverse reactions in connection with pharmaceuticals. The drug marketing authorization holder may engage in manufacturing or distribution on its own or to entrust a licensed third party.

Regulations of Biosimilars

On February 28, 2015, the CFDA released and implemented the Technical Guidelines for R&D and Evaluation of Biosimilar Drugs (《生物類似藥研發與評價技術指導原則》) (the "**Biosimilar Guidelines**"), which outlines the regulatory framework for biosimilars in the PRC and provides the basic principles for the evaluation and management of biosimilar drugs. Pursuant to the Biosimilar Guidelines, biosimilar drugs refer to therapeutic biological products that bear similarities registered reference drugs in terms of quality, safety and efficacy. In principle, the amino acid sequences of drug candidates for biosimilar drugs shall be the same as those of reference drugs. The R&D and marketing of biosimilar drugs need to comply with the relevant regulations of the Drug Administration Law and the Measures for the Administration of Drug Registration.

For the purpose of implementing the Measures for the Administration of Drug Registration, the NMPA formulated the Registration Classification and Requirements for Application Dossiers for Biological Products (《生物製品註冊分類及申報資料要求》) on June 29, 2020. Pursuant to the Registration Classification and Requirements for Application Dossiers for Biological Products, biological products refer to preparations which are manufactured with starting materials, cells, animals or human tissues and body fluids by biotechnology and used for the prevention, treatment and diagnosis of human diseases. The biological products are further divided into prophylactic biological products, therapeutic biological products and in vitro diagnostic reagents that are administered as biological products.

On February 10, 2021, the NMPA promulgated and implemented the Technical Guidelines for Similarity Evaluation and Indication Extrapolation of Biosimilars (《生物類似藥相似性評價和適應症外推技術指導原則》) to further standardize the development and evaluation of biosimilars. Pursuant to the Technical Guidelines for Similarity Evaluation and Indication Extrapolation of Biosimilars, "similarity" refers to the overall similarity between a candidate drug and an approved reference drug, with no clinically meaningful differences in quality, safety, or efficacy, and "indication extrapolation" refers to the process where, based on the overall similarity between a candidate drug and a reference drug, if direct comparative clinical trials demonstrate clinical similarity in at least one indication, the candidate drug may be scientifically justified through research data and information related to the extrapolated indication to support its use in other indications approved in the PRC but not directly studied for the reference drug. The similarity evaluation of biosimilars should be carried out comprehensively from the perspective of pharmaceutical, non-clinical and clinical studies to determine the overall similarity, and should be carried out at different stages of biopharmaceutical studies.

The Technical Guidance for Clinical Pharmacology Studies of Biosimilars (《生物類似藥臨床藥理學研究技術指導原則》) promulgated and implemented by the CDE on February 8, 2022 provides further guidance recommendations for clinical pharmacology studies of biosimilars in the framework of The Biosimilar Guidelines and the Technical Guidelines for Similarity Evaluation and Indication Extrapolation of Biosimilars to provide technical references for the research and development of biosimilars.

The Technical Guidelines for Similarity Evaluation and Indication Extrapolation of Biosimilars and the Biosimilar Guidelines both state the "stepwise progression principle," which emphasizes a sequential approach to demonstrating biosimilarity through systematic comparisons at the pharmacological, non-clinical and clinical stages, ensuring that uncertainties identified in early stages are specifically evaluated in subsequent stages. However, the above guidelines are advisory in nature, and do not mandatorily require that the Phase 1 clinical trial must commence before Phase 3 clinical trial. Therefore, though usually clinical trials of biosimilars are conducted gradually phase by phase, there are no mandatory provisions of PRC laws that require Phase 1 clinical trial must commence before Phase 3 clinical trial for biosimilars explicitly. As indicated in the Measures for Administration of Drug Registration and related provisions, all clinical trials require submission of corresponding plan and related documents to and approval from CDE before commencement. As such, as long as the approval of clinical trial is obtained before the commencement of each clinical trial, and corresponding drug registration certificate is obtained subsequently after all clinical trials are completed, the early commencement of Phase 3 clinical trial does not violate mandatory provisions of PRC laws.

Regulations relating to Drug Manufacturing and Distribution

Drug Manufacturing

Pursuant to the Drug Administration Law and the Implementing Regulations of the Drug Administration Law, a drug manufacturing enterprise is required to obtain a drug manufacturing license from the relevant provincial drug administration authority of the PRC. The grant of such license is subject to an inspection of the manufacturing facilities, and an inspection to determine whether the sanitary condition, quality assurance systems, management structure and equipment meet the required standards. Pursuant to the Regulations of Implementation of the Drug Administration Law and the Administrative Measures on Supervision of Pharmaceutical Manufacturing (《藥品生產監督管理辦法》) promulgated by the SAMR on January 22, 2020 and taking effect on July 1, 2020, the drug manufacturing license is valid for five years and shall be renewed at least six months prior to its expiration date upon a re-examination by the relevant authority. According to such measures, to the extent the Marketing Authorization Holder (the "**MAH**") does not manufacture the drug but through contract manufacturing organization, the MAH shall apply for drug manufacturing license with the provincial counterpart of the NMPA, subject itself to inspections and other regulatory oversight by the agency.

The Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) (the "**GMP**") last amended by the Ministry of Health (now known as the NHC) on January 17, 2011 and took effect on March 1, 2011, comprises a set of detailed standard guidelines governing the manufacture of drugs, which include institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and management of customer complaints and adverse event reports.

The Administrative Measures for Drug Inspection (For Trial Implementation) (《藥品檢查管理辦法(試行)》), as amended on July 19, 2023, provide 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

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 came into effect from October 1, 2014, a drug manufacturer may commission other domestic drug manufacturers to produce its 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.

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. The holder of drug sales approval and the commissioned manufacturer shall enter into an entrustment agreement and a quality agreement, and strictly perform the obligations pursuant to such agreements. Blood products, anesthetics, psychotropic pharmaceuticals, toxic pharmaceuticals for medical treatment, and pharmaceutical precursor chemicals may not be produced through entrustment, except as otherwise prescribed by the drug administrative department of the State Council.

The Administrative Measures on Supervision of Pharmaceutical Manufacturing further implement the drug marketing authorization holder system as stipulated in the Drug Administration Law. Drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate.

Drug Distribution

On September 27, 2023, SAMR promulgated the Measures for the Supervision and Administration of Drug Quality in Operation and Usage (《藥品經營和使用質量監督管理辦法》), taking effect from January 1, 2024. Pursuant to the Measures for the Supervision and Administration of Drug Quality in Operation and Usage, pharmaceutical enterprises shall be responsible for the quality of the pharmaceuticals that they manufacture, operate, use, purchase, sell, transport, or store. A Medicine Operation Certificate is valid for five years. Each holder of the Medicine Operation Certificate must apply for an extension of its permit within two months to six months before such expiration. For the purpose of regulating the administration of prescriptions, the Prescription Management Regulation (《處方管理辦法》) was released by the Ministry of Health (now known as the National Health Commission) on February 14, 2007 and became effective on May 1, 2007. A prescription refers to a medical document issued by certified medical practitioners or certified associate medical practitioners in patient diagnosis and treatment activities. It specifies medications and treatment plans, which are subsequently reviewed, dispensed, and verified by pharmaceutical professionals with qualifications in pharmaceutical technical roles. The prescription serves as the official authorization for patients to obtain and use medications. Prescription drugs must be sold, dispensed, and used solely based on valid prescriptions. A certified medical practitioner has the corresponding prescription right at the registered practice place, and shall issue prescriptions according to the requirements of medical treatment, disease prevention, healthcare, and subject to the treatment standards and drug instructions. Furthermore, under the Prescription Management Regulation, PRC hospitals may not procure more than two drugs of the same generic name (two injectable and two oral dosage forms). Medical institutions, medical practitioners and pharmaceutical professionals are subject to warnings, fines and other penalties under the Prescription Management Regulation for violations of regulations. As we may distribute our commercial products nationwide, we are subject to the unified requirements of Prescription Management Regulation.

REGULATIONS RELATING TO MEDICAL INDUSTRY

Regulations on Coverage and Reimbursement

Drug Price

According to the Drug Administration Law, for drug products with market-regulated prices in accordance with the law, drug marketing authorization holders, drug manufacturers, drug trading enterprises and medical institutions shall determine the price pursuant to the principles of fairness, reasonableness, integrity and trustworthiness as well as quality for value in order to supply drug users with reasonably priced drug products; and shall comply with the requirements relating to drug

price administration promulgated by the State Council's pricing authorities, determine and clearly mark the retail prices of drug products. According to the Notice on Issuing Opinions on Promoting Drug Price Reform (《關於印發<推進藥品價格改革意見>的通知》) jointly promulgated by the NDRC, the National Health and Family Planning Commission (currently known as the NHC), the Ministry of Human Resources and Social Security, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Commerce and the CFDA on May 4, 2015, from June 1, 2015, except for narcotic drugs and first-class psychotropic drugs, the price of drugs set by the government will be cancelled.

U.S. Regulations Potentially Impacting Our Operations

BIOSECURE Act

On December 18, 2025 the BIOSECURE Act was enacted into law as part of the National Defense Authorization Act For Fiscal Year 2026.

The Act (i) prohibits U.S. federal procurement of biotechnology equipment or services from designated "biotechnology companies of concern"; and (ii) prohibits U.S. federal loans and grants to, and federal contracts (including extensions and renewals) with, any entity that uses such equipment or services.

The designation of covered biotechnology companies under the framework proceeds through two primary channels: (1) automatic designation pursuant to the U.S. Department of Defense (DoD) Section 1260H list of "Chinese military companies," leveraging its latest update in January 2025; and (2) a discretionary, criteria-based pathway managed through an interagency review led by the Office of Management and Budget (OMB). This structure stands in contrast from earlier iterations of the BIOSECURE Act, which targeted a limited set of specifically named Chinese biotechnology firms.

The BIOSECURE Act includes limited transitional arrangements: The Act provides a five-year transition period for existing contracts, grants, and loans, with named biotechnology companies of concern entered before the BIOSECURE Act's enactment. However, for agreements involving entities already listed under Section 1260H of the NDAA, restrictions will take effect 60 days after the relevant Federal Acquisition Regulation (FAR) is updated.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patents

According 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 last amended on October 17, 2020, 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》), promulgated by the State Council in June 2001 and last amended on December 11, 2023, there are three types of patents in the PRC: invention patents, utility model patents and design patents. The protection period is 20 years for an invention patent, 10 years for a 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 patent holder shall pay compensation to the patent holder 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.

The Patent Law stipulates that the Patent Administration Department under the State Council shall, upon request of the patentee, extend the patent term of relevant invention patents of the new drug that is approved to be listed on the market in China, to compensate for the time spent for the review and examination and approval of the listing of a new drug on the market. The compensated extension shall not exceed five years, and the total valid patent term after the new drug is approved for the market shall not exceed fourteen years.

Copyright

Copyright is protected by 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 and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) issued by the State Council on August 2, 2002 and last amended on January 30, 2013, which provides provisions on the classification of works and the obtaining and protection of copyright and the related rights.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC in August 1982, and last amended in April 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014, the period of validity for a registered trademark is ten years, commencing from the date of registration.

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》), promulgated by the SCNPC in September 1993 and last amended in June 2025, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

Domain Names

Domain names are protected under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology in August 2017 with effect from November 1, 2017. The Ministry of Industry and Information Technology is the main regulatory body responsible for the administration of PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

REGULATIONS RELATING TO PRODUCT QUALITY

In addition to the strict drug approval process, certain PRC laws have been promulgated to protect the rights of consumers and to strengthen the control of medical products in the PRC. Under current PRC law, manufacturers and vendors of defective products in the PRC may incur liability for loss and injury caused by such products.

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018 (the "**Product Quality Law**"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products they manufacture and sellers shall take measures to ensure the quality of the products they sell. If a defect in a product causes personal injury or damage to property of others, subject to a few exemptions, the manufacturer shall bear liability for compensation. A seller shall be liable to compensate for any bodily injuries or damage to property of others caused by the defects in the product if such defects are attributable to the seller. A seller shall pay compensation if it fails to indicate neither the manufacturer nor the supplier of the defective product. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**PRC Civil Code**"), promulgated in May 2020 and came into effect from January 2021, where a patient suffers damage due to defects in drugs, he/she may seek compensation from the drug marketing authorization holder, producer or the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated in October 1993 and last amended in October 2013 to protect consumers' rights when they purchase or use goods and accept services. All business operators shall pay high attention to protect the customers' privacy and strictly keep it confidential any consumer information they obtain during the business operation. In addition, in extreme situations, pharmaceutical product manufacturers and operators may be subject to criminal liability if their goods or services lead to the death or injuries of customers or other third parties.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTIONS, HEALTH AND SAFETY

Environmental 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, summarizes the rights and responsibilities of environmental protection regulatory authorities. The Ministry of Ecology and Environment (the "**MEE**") is authorized to promulgate national standards for environmental quality and discharge. At the same time, local environmental protection authorities may formulate local standards that are stricter than the national standards, in which case, the companies concerned shall comply with the national and local standards.

Environmental Impact Assessment

According 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 last amended with effect from December 29, 2018, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, environmental impact statement or registration form in accordance with the severity of the impact that the project may have on the environment.

Pollutant Discharge

On January 24, 2021, the State Council promulgated the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》), which took effect from March 1, 2021, for the purpose of strengthening the regulation of pollutant discharge permits. According to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by 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.

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), promulgated and implemented by the MEE on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the volume of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit administration information platform.

According to the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》), promulgated by the State Council on October 2, 2013 with effect from January 1, 2014, urban entities and individuals shall dispose of sewage through urban drainage facilities covering their geographical area in accordance with the law. Companies or other entities engaging in medical activities shall apply for a sewage disposal drainage license before disposing sewage into urban drainage facilities. Sewage-disposing entities and individuals shall pay sewage treatment fees in accordance with the law.

Production Safety

According to the Production 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 with effect from September 1, 2021, any entity whose production safety conditions does not meet the requirements may not engage in production and business operation activities. 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.

Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "**Fire Prevention Law**"), promulgated by the SCNPC on April 29, 1998 and last amended with effect from April 29, 2021, design and construction of the fire control facilities for a construction work shall comply with the national fire control technical standards. The developer, designer, constructors and project supervisor of a construction project shall be responsible for the quality of the design and construction of the fire control facilities for the construction work according to the relevant laws.

According to the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Works (《建設工程消防設計審查驗收管理暫行規定》) (the "**Interim Provisions on Fire Protection**"), promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, last amended on August 21, 2023, a special construction work as stipulated in the Interim Provisions on Fire Protection shall be subject to fire protection design review before the construction of such work is commenced and shall be subject to fire protection inspection before such work is put into use. Construction works other than a special construction work shall be subject to fire protection inspection filing, and the competent administrative authority in charge of the examination and acceptance of fire protection design shall conduct spot inspections. If a construction work fails to pass the spot inspection, the use of such construction shall cease, and rectification actions must be taken with a view to applying for a re-inspection.

REGULATIONS RELATING TO REAL PROPERTY

Lease of Real Property

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《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. According to the PRC Civil Code, if the entity fails to complete the registration and filing procedures for a lease contract in accordance with the aforementioned filing regulations, it shall not affect the validity of the contract.

Self-Owned Real Property

According to the PRC Civil Code, 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 and last amended with effect from January 1, 2020, the PRC implements socialist public ownership of land, that is, ownership by the whole people or collective ownership by the working masses. The State implements a State land compensated use system pursuant to the law, except for allocation of State-owned land use rights by the State within the scope stipulated by the law. 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.

Idle Land

According to the Measures for the Disposal of Idle Land (《閒置土地處置辦法》), promulgated by the Ministry of Land and Resources (now known as the Ministry of Natural Resources) on April 28, 1999 and last amended on June 1, 2012, state-owned construction land where the right holder has failed to commence development within one year after the agreed commencement date in the compensated use contract is considered idle land. State-owned construction land that has commenced development but meets either of the following criteria may also be deemed idle land: (a) developed construction land area accounts for less than one-third of the total designated construction land area; or (b) invested amount is less than 25% of the total project investment, with development activities suspended for a full year.

If the delay in commencing development is not attributable to the government or activities of relevant government departments, the following measures shall apply: (a) for delay exceeding one year, the competent department of land and resources at the municipal or county level shall, after approval by the local people's government at the corresponding level, issue a "Decision on Collecting Land Idle Fees" to the state-owned construction land use right holder, requiring land idle fees at 20% of the land transfer or allocation price, and the land idle fees shall not be included in production costs; or (b) for delay exceeding two years, the competent department of land and resources at the municipal or county level shall, in accordance with the Land Administration Law of the PRC and the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), issue a "Decision on the Withdrawal of State owned Construction Land Use Rights" to the state-owned construction land use rights holder after obtaining approval from the people's government with approval authority, and withdraw the right to use state-owned construction land without compensation.

REGULATIONS RELATING TO CONSTRUCTION

Construction Work Planning Permit

In accordance with the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and last amended with effect from April 23, 2019, where construction work is conducted in a city or town planning area, the relevant construction entity shall apply for a construction work planning permit (建設工程規劃許可證) from the competent administrative authority in charge of urban and rural planning.

Construction Work Commencement Permit and Environmental Impact Assessment Approval

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.

According to the Administrative Measures for Construction Permits of Building Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on October 15, 1999 and last amended with effect from March 30, 2021, any entity in the PRC that carries out construction, fitting-out or decoration of a building and its ancillary

facilities, installation of supporting lines, pipelines or equipment, as well as the construction of municipal infrastructure projects shall, prior to the commencement of the construction, apply for a construction permit. Construction works with a construction investment amount of less than RMB300,000 or a construction area of less than 300 square meters are not required for construction permits.

According to the Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated by the SCNPC on January 30, 2000 and last amended with effect from April 23, 2019, any entity in the PRC constructs without obtaining a construction permit or without obtaining approval for commencement report, it shall be ordered to stop construction, make corrections within a time limit, and fined not less than 1% but not more than 2% of the project contract price.

According to the Environmental Impact Assessment Law of the PRC, any entity in the PRC commences construction without applying for approval for the environmental impact report or the environmental impact statement of the construction project in accordance with the law, the ecological environment department at or above the county level shall order it to stop construction. Depending on the severity of the violation and the consequences of the harm, a fine of not less than 1% but not more than 5% of the total investment of the construction project shall be imposed, and such construction entity may be ordered to restore the original state. If any entity commences construction without approval of the environmental impact report or the environmental impact statement of a construction project obtained, and the entity starts construction without authorization, it shall be punished in accordance with the provisions of the preceding sentence.

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 Ministry of Housing and Urban-Rural Development 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 of the relevant construction work, make a record-filing with the competent construction administration authority.

According to the Regulations on Quality Management of Construction Projects, any entity in the PRC that carries out construction works shall, within 15 days after the acceptance and of the relevant construction work, submit the completion and acceptance report of the construction project and the recognition or permission documents issued by the planning, public security, fire protection, environmental protection and other departments to the construction administrative department or other relevant departments to make a record-filing. If the construction administrative department or other relevant departments discover that the entity has violated the relevant national regulations on construction project quality management during the completion acceptance process, it shall be ordered to stop using and reorganize the completion acceptance. If the completion acceptance report, relevant recognition documents or permission to use documents are not submitted for filing in accordance with the aforementioned regulations, the competent construction department shall order correction and impose a fine of not less than RMB200,000 but not more than RMB500,000.

REGULATIONS RELATING TO FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Foreign Exchange Control

According to the PRC Regulation for the Foreign Exchange (《中華人民共和國外匯管理條例》) promulgated by the State Council in January 1996, which was last amended in August 2008, established the regulatory framework of the administration on foreign currency exchange in the PRC. According to the PRC Regulation for the Foreign Exchange, 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 State Administration of Foreign Exchange of the PRC (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 the PRC for items under the capital account such as repayment of foreign currency denominated loans or foreign currency is to be remitted into the PRC under the capital account, such as a capital increase or foreign currency loans extended by an offshore entity to an entity in the PRC.

The SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of 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》) in February 2015, which was further amended in December 2019 and prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank. On April 3, 2024, 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.

The Provisions on Foreign Exchange Control on Direct Investments by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), which were promulgated by the SAFE in May 2013 and last amended in December 2019, regulate and clarify the administration over foreign exchange administration in foreign direct investments.

According to the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) promulgated by the SAFE in March 2015 and last amended in March 2023, and the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (《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 by the SAFE in June 2016 and amended in December 2023, the settlement of foreign exchange by foreign-invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis.

The Notice of the People's Bank of China and the SAFE on Issues Concerning the Administration of Funds Raised by Domestic Enterprises through Overseas Listing (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) issued on December 26, 2025, with effect from April 1, 2026, repealed the Notice of SAFE on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing. For overseas listing, a domestic enterprise shall, within 30 working days from the first trading day of the overseas listing or the completion of over-allotment, apply for overseas listing registration with a competent bank. Funds raised by domestic enterprises through overseas listing shall, in principle, be remitted back to China in a timely manner. If such funds are to be retained overseas for overseas direct investment, overseas securities investment, overseas lending, or other purposes, the enterprise shall obtain approval or filing documents from the competent authorities before the completion of the overseas listing issuance or over-allotment, and shall comply with relevant cross-border fund management regulations.

Dividend Distribution

The SAFE promulgated the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (《國家外匯管理局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; 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 procedures in connection with an outbound investment.

REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

Information Security and Censorship

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which was last amended in October 2025, according to which, network operators shall fulfill their obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures according to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The network operator shall not collect personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements concluded with its users, and network operators of key information infrastructure shall store within the PRC all the personal information and important data collected and produced within the PRC. The purchase of network products and services that may affect national security shall be subject to national cyber security review.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The Data Security Law sets forth the regulatory framework and the responsibilities of the relevant administrative authorities in regulating data security. It provides that the central government shall establish a central data security work liaison system, which shall coordinate the relevant authorities covering different industries to formulate the catalogues of key data, and the special measures that shall be taken to protect the security of the key data.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**"), jointly with 12 other administrative authorities, promulgated Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022. According to the Cybersecurity Review Measures, critical information infrastructure operators that purchase network products and services, and network platform operators engaging in data processing activities that affect or may affect national security are subject to cybersecurity review thereunder. In addition, network platform operators with personal information of over one million users shall be subject to cybersecurity review before listing in a foreign country. The competent administrative authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

On September 24, 2024, the State Council released the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which has come into force on January 1, 2025. The Network Data Regulation is not only the first at the administrative regulation level specifically for network data security, but it also serves as a comprehensive implementing regulation for the compliance requirements set out by the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. The Network Data Regulation introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

REGULATIONS RELATING TO LABOR

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Employment Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages cannot be lower than local minimum wage.

Social Insurance and Housing Provident Funds

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated on October 28, 2010 and amended with effect from December 29, 2018, employers in China are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance, as well as other welfare plans. These payments are made to local competent administrative authorities, and any employer who fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order it to pay or make up for the arrears within a specified period of time, and impose a daily late fee of 0.05% from the date of arrears; If the overdue payment is still not made, the relevant administrative department shall impose a fine of not less than one time but not more than three times the amount owed. Therefore, considering that the cumulative under-provided amount for social insurance is RMB5.8 million as of April 30, 2026, our maximum financial exposure for non-compliance with social insurance requirements is three times this amount plus late fee.

According to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was implemented on April 3, 1999 and latest revised on March 24, 2019, any entity that fails to make payment of housing provident fund for its employee within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court. The cumulative under-provided amount for housing provident fund is RMB1.7 million as of April 30, 2026, which is our maximum financial exposure for non-compliance with housing provident fund requirements. According to the Interpretation II of the Supreme People's Court of 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)》) enacted by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025. Where an employer and an employee enter into an agreement or an employer undertakes that social insurance contributions need not be paid by both parties, the people's court shall determine that the agreement or undertaking is invalid. 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 the Labor Contract Law, the People's Court shall support such claims in accordance with the law. Considering (i) that the Company and the relevant employees have never signed any agreement that no payment of social insurance would be required to be made by the Company; and (ii) that during the Track Record Period and up to the Latest Practicable Date, no employee has brought a lawsuit or arbitration in respect of payment of social insurance, our PRC Legal Adviser is of the view that (i) the aforementioned judicial interpretation does not expand our Company's penalty exposure; (ii) the aforementioned judicial interpretation does not repeal the social insurance laws and regulations currently in force of the PRC; and (iii) as of the Latest Practicable Date, no pending litigation or arbitration of the Company is applicable to the aforementioned judicial interpretations. Based on the aforementioned view of the PRC Legal Adviser, our Reporting Accountants are of the view that provision should be made. In 2023, 2024 and 2025, our provision

for social insurance and housing provident fund amounted to RMB2.4 million, RMB0.6 million and RMB0.3 million, respectively, and the Company is of the view that the amount of provision made is justified given the aforementioned bases.

We have adopted the following rectification procedures: (i) assigning the members of our compliance department to monitor our ongoing compliance with the social insurance and housing provident fund contribution regulations and oversee the implementation of any necessary measures; (ii) increasing awareness of developments in the law by requiring the human resources department to regularly review and closely monitor the latest laws and policies issued by the relevant government authorities on an annual basis; (iii) actively communicating with relevant local social insurance and housing provident fund authorities to stay informed of the latest regulatory developments; and (iv) gradually increasing contribution to reduce under-provided percentage starting from June 2026. Furthermore, we plan to adopt additional rectification procedures promptly within the prescribed period when required by the competent authorities, which procedures may include (a) strengthening management to ensure accurate calculation, declaration, and payment of social insurance and housing provident fund contributions in compliance with applicable laws and regulations; (b) assigning separate staff for calculation and review; (c) requiring preparer and reviewer to separately sign off after completing their calculation and review; and (d) requiring internal audit departments to conduct regular checks on declarations and payments to ensure compliance.

REGULATIONS RELATING TO TAX

According to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the National People's Congress in March 2007 and last amended in December 2018, and the Implementation Rules of the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council in December 2007 and last amended in December 2024, other than a few exceptions, the income tax rate for both domestic enterprises and foreign-invested enterprises is 25% and enterprise qualified as "High and New Technologies Enterprises" are permitted to enjoy a reduced 15% enterprise income tax rate.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small Low-profit Enterprises and Businesses Owned by Individuals (《財政部 國家税務總局關於小微企業和個體工商戶所得税優惠政策的公告》) published on March 26, 2023 and the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax Policies for Further Supporting the Development of Small Low-profit Enterprises and Businesses Owned by Individuals (《財政部 國家税務總局關於進一步支持小微企業和個體工商戶發展有關税費政策的公告》) published on August 2, 2023, the policy that the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% will continue to apply from January 1, 2023 to December 31, 2027.

According to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》) promulgated by the SCNPC on December 25, 2024, except stipulated otherwise, taxpayers who sell goods, provide processing, repair and replacement services or tangible personal property leasing services or import goods shall be subject to a 13% tax rate; taxpayers who sell transport services, postal services, basic telecommunications services, construction services, or real property leasing services, sell real property, transfer the land use right, sell or import certain goods, unless otherwise provided, shall be subject to an 9% tax rate, and taxpayers who sell services or intangible assets, unless otherwise provided, shall be subject to a 6% tax rate.

According to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and 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税和防止偷漏税的安排》) (the "**Double Tax Avoidance Arrangement**") promulgated in August 2006 and came into effect in December 2006, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行税收協定股息條款有關問題的通知》) which was promulgated by the State Taxation Administration in February 2009, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement on Certain Issues with Respect to the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》) which was promulgated by the State Taxation Administration in February 2018 and came into effect in April 2018, if an applicant's business activities do not constitute substantive business activities, it could result in the negative determination of the applicant's status as a "beneficial owner", and consequently, the applicant could be precluded from enjoying the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

REGULATIONS RELATING TO COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC 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 SCNPC in December 1993 and last amended in December 2023. According to the PRC Company Law, companies are generally classified into two categories: limited liability companies and companies limited by shares. The 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 Foreign Investment Direction (《指導外商投資方向規定》), which was promulgated by the State Council in February 2002 and came into effect in April 2002, and the Special Administrative Measures for the Access of Foreign Investment (Negative List) (《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 (the "**MOFCOM**") and National Development and Reform Commission (the "**NDRC**") in September 2024, and came into effect in November 2024, and the Catalogue of Encouraged Industries for 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 in December 2025 and came into effect in February 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 Nation People's Congress in March 2019 and came into effect in January 2020. After the Foreign Investment Law came into effect, the Law on Wholly Foreign-owned Enterprises of the PRC (《中華人民共和國外資企業法》), the Law on Sino-foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》) and the Law on Sino-foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) have been repealed simultaneously. 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, including: (1) establishing by foreign investors of foreign-invested enterprises in China alone or jointly with other investors; (2) acquiring by foreign investors of shares, equity, property shares, or other similar interests of Chinese domestic enterprises; (3) investing by foreign investors in new projects in China alone or jointly with other investors; and (4) other forms of investment prescribed by laws, administrative regulations or the State Council.

The Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the 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.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING, LISTING AND FULL CIRCULATION OF "H SHARES"

Overseas Offering and Listing

On February 17, 2023, the China Securities Regulatory Commission (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 (collectively, 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 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.

Full Circulation of "H Shares"

"Full Circulation" represents 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 November 14, 2019, CSRC announced the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) ("**Full Circulation Guidelines**"), which were amended on August 10, 2023. As regulated in the Full Circulation Guidelines, shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for "full circulation" with the CSRC. An unlisted domestic joint stock company may file with the CSRC for "full circulation" at the time of its offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be converted back domestically. Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering shares and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and offering on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf. On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced 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**"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, and other details in relation to the H-share "Full Circulation" business are subject to the Measures for Implementation.

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

On February 24, 2023, the CSRC, the Ministry of Finance, State Secretary Administration and State Archives Bureau 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. If a Domestic Company decides to disclose any documents or materials containing state secrets, work secrets of state authorities or any information that may be detrimental to national security or public interest once leaked, proper governmental approval procedures should be followed. After obtaining the governmental clearance, the Domestic Company disclosing such information, as one party, and the securities companies and securities services providers receiving such information, as the other party, shall also enter into non-disclosure agreements, setting forth the confidentiality obligations of the securities companies and securities services providers. When providing the above information to the securities companies and securities services providers retained by it, the Domestic Companies are also required to issue a written statement outlining their compliance with the relevant regulatory requirements and procedures.

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 with.

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.