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REGULATIONS RELATING TO THE REFORM OF MEDICAL INSTITUTIONS

On November 26, 2010, the General Office of the State Council promulgated the Notice of the General Office of the State Council on Forwarding the Opinions of the National Development and Reform Commission (the “**NDRC**”), the Ministry of Health (the “**MOH**”) and Other Ministries on Further Encouraging and Guiding the Establishment of Medical Institutions by Social Capital (關於進一步鼓勵和引導社會資本舉辦醫療機構意見)(the “**Notice**”). The Notice encourages and supports the establishment of various medical institutions by social capital. Social capital investors may, according to their business purposes, independently apply for the establishment of for-profit medical institutions. (the “**PMIs**”) or non-profit medical institutions (the “**NMIs**”). The establishment of NMIs by social capital shall be encouraged, and the establishment of for PMIs shall be supported. Qualified personnel shall be encouraged to establish private clinics according to law. The opening-up of the medical sector will be further expanded, with the establishment of medical institutions by overseas capital adjusted to permitted foreign investment projects.

Opinions on Encouraging Social Forces to Provide Multi-layered and Diverse Medical Services (關於支援社會力量提供多層次多樣化醫療服務的意見), which was promulgated by the General Office of the State Council on May 16, 2017, aims at the fields in which the contradiction between supply and demand is acute, and shall lay emphasis on advanced technologies, special services and brand quality, fully unleash the potential and vigor of private medical institutions, promote the reasonable flow and full development of the factors such as talents, funds and technologies, and advance the service innovation and business upgrading in private medical institutions, so that they can engage in joint development and orderly competition with public medical institutions.

REGULATIONS RELATING TO TCM AND TCM MEDICAL INSTITUTIONS

According to the Law of the PRC on Traditional Chinese Medicine (中華人民共和國中醫藥法), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 25, 2016 and came into effect on 1 July 2017, the State exerts every effort to develop Traditional Chinese Medicine (the “**TCM**”) by putting TCM on an equal footing with Western medicine, and establishing the administrative system in line with its characteristics to fully play its role in China’s medical and health undertaking. TCM institutions invested by private sectors shall enjoy the same rights of those established by the government in respect of market access, practice, basic medical insurance, research and training, and the professional title evaluation of medical professionals.

The Basic Standards for Traditional Chinese Medicine Clinics (2023 Edition)(中醫診所基本標準(2023年版)), which was last amended and promulgated by the NATCM on March 10, 2023, stipulates the specific requirements for TCM clinics in terms of personnel, equipment and place to ensure the smooth implementation of the registration process for TCM clinics. According to the Standards, a TCM clinic shall meet the following key requirements: (i) Personnel: a TCM clinic shall have at least one qualified TCM licensed doctor, and at least one TCM pharmacy professional technician where Chinese herbal pieces dispensing services are provided; (ii) Equipment: a TCM clinic shall be equipped with basic equipment, such as consultation desk, consultation chair and pulse pillow, and other equipment appropriate to the scope of TCM diagnosis and treatment; and first-aid equipment must be provided for high-risk medical techniques; (iii) Premises: floor area and layout of a TCM clinic shall satisfy medical needs of diagnosis and treatment; (iv) Rules and Responsibilities: a TCM clinic shall comply with national regulations and technical standards, and define staff responsibilities; and (v) Systems and informatization: a TCM clinic shall be equipped with an electronic medical record system, connected to the local clinic information regulatory platform.

According to the currently effective Regulations on the Administration of Medical Institutions (醫療機構管理條例) and Interim Measures for the Administration of the Filing of Traditional Chinese Medicine Clinics (中醫診所備案管理暫行辦法), compliance with the basic standards for medical

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institutions (including the Basic Standards for Traditional Chinese Medicine Clinics) is a prerequisite for applying for a Medical Institution Practicing License (醫療機構執業許可證) or a Clinic Filing Certificate (診所備案憑證). All existing TCM clinics of the Group have obtained the Medical Institution Practicing License or Clinic Filing Certificate in accordance with the law. Accordingly, our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, all of the Group’s self-operated TCM clinics have complied with the aforesaid Standards in all material respects.

REGULATIONS RELATING TO THE CLASSIFICATION OF MEDICAL INSTITUTIONS

The Opinions on Implementing Classification Administration of Urban Medical Institutions (關於城鎮醫療機構分類管理的實施意見), jointly promulgated by the MOH, NATCM, Ministry of Finance (the “MOF”) and NDRC on July 18, 2000 and came into effect on September 1, 2000, provides that medical institutions in the PRC are mainly identified as PMIs and NMIs. NMIs and PMIs shall be classified based on their business objectives, service purposes and implementation of various financial, taxation, pricing and accounting policies. The government does not establish PMIs. NMIs implement government-prescribed medical service guidance prices and enjoy corresponding tax incentives. PMIs have their medical service pricing deregulated, operate autonomously in accordance with the law, and pay taxes according to regulations.

REGULATIONS RELATING TO THE MANAGEMENT OF MEDICAL INSTITUTIONS

The Administrative Measures on Medical Institutions (醫療機構管理條例), which was promulgated on February 26, 1994 by the State Council, came into effect on September 1, 1994 and last amended on March 29, 2022, and came into effect on May 1, 2022, and its Implementation Measures, which was promulgated by the MOH on August 29, 1994 and last amended on February 21, 2017, and came into effect on April 1, 2017, provide that the establishment of a medical institution by any entity or individual must be reviewed and approved by health administrative departments of people’s governments at or above the county level and obtain the Medical Institution Practicing Certificate (醫療機構執業許可證). The Medical Institution Practicing Certificate shall not be forged, altered, sold, transferred or lent. No organisation or individual shall engage in medical treatment activities without obtaining the Medical Institution Practicing Certificate or without prior registration.

Pursuant to the Administrative Measures for Verification of Medical Institutions (For Trial Implementation)(醫療機構校驗管理辦法(試行)), which was promulgated by the MOH and came into effect on June 15, 2009, the Medical Institution Practicing Certificate is subject to periodic examinations and verifications by registration authorities. The verification period shall be 3 years for general hospitals, hospitals of traditional Chinese medicine, hospitals of western medicine and traditional Chinese medicine, hospitals of ethnic minority medicine and specialized hospitals, as well as sanitariums, rehabilitation hospitals, maternity and children’s health care centers, emergency centers, clinical laboratories and specialized disease prevention institutions equipped with more than 100 beds, while the verification period shall be 1 year for other medical institutions. Where a medical institution fails to apply for verification as required and post re-verification procedures or is unsuccessful in its re-verification application, the registration authorities may cancel its Medical Institution Practicing Certificate.

The Notice on the Issuance of the Interim Measures for the Administration of Clinic Filing (關於印發診所備案管理暫行辦法的通知) was issued by the National Health Commission (the “NHC”) and the NATCM, on December 20, 2022, which stipulates that the establishment of a clinic by an entity or individual shall be reported to the healthcare administrative department or the competent department of traditional Chinese medicine of the people’s government at the county level where the clinic is to be established for the record, and the practice activities can be carried out after obtaining the clinic filing certificate (診所備案憑證). In addition, the health administrative departments and competent departments of traditional Chinese medicine of the people’s governments at the county level shall conduct at least one on-site supervision and inspection of clinics within their respective jurisdictions each year.

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The Interim Measures for the Filing Administration of Traditional Chinese Medicine Clinics, (中醫診所備案管理暫行辦法) promulgated by the National Health and Family Planning Commission (NHFPC) in the form of an NHFPC Decree on September 22, 2017 and effective as of December 1, 2017, stipulates that anyone intending to establish a TCM clinic may commence practice activities upon completing the filing formalities with the competent traditional Chinese medicine department of the county-level people’s government in the place where the clinic is to be located. The competent traditional Chinese medicine departments of local people’s governments at or above the county level shall be responsible for the supervision and administration of TCM clinics within their respective administrative regions. The competent traditional Chinese medicine departments of county-level people’s governments shall be specifically responsible for the filing work of TCM clinics within their respective administrative regions.

REGULATIONS RELATING TO INTERNET HOSPITAL

Pursuant to the Opinions on Promoting the Development of “Internet Plus Health Care” (國務院辦公廳關於促進「互聯網+醫療健康」發展的意見) promulgated by the General Office of the State Council on April 25, 2018, which encouraged medical institutions to adopt internet technologies to develop online-offline integrated medical services, allowed the establishment of internet hospitals based on physical medical institutions, and carried out online follow-up visits and online prescription issuance for common and chronic diseases.

On July 17, 2018, the NHC and the National Administration of Traditional Chinese Medicine jointly promulgated the Measures for the Administration of Internet Diagnosis and Treatment (Trial) (互聯網診療管理辦法(試行)), the Measures for the Administration of Internet hospitals (Trial) (互聯網醫院管理辦法(試行)) and the Specifications for the Administration of Remote Medical Services (Trial) (遠程醫療服務管理規範(試行)), and amended such Measures on September 28, 2018.

Pursuant to the Measures for the Administration of Internet hospitals (Trial), “Internet hospitals” refer to: (a) Internet hospitals as the second name of physical medical institutions, and (b) Internet hospitals that are independently established on the support of physical medical institutions. The state implements access management for Internet hospitals pursuant to the Administrative Measures on Medical Institutions (醫療機構管理條例) and the Implementation Measures of the Administrative Measures on Medical Institutions (醫療機構管理條例實施細則). Physical medical institutions that build information platforms on their own or in cooperation with third-party institutions and use physicians registered in their own institutions and other medical institutions to carry out Internet diagnosis and treatment shall apply for using Internet hospital as the second name. Internet hospitals shall adopt information security protection measures for Level 3 information system in accordance with relevant information security laws and regulations, including completion of filings with local public security authorities. Physicians can only provide follow-up diagnosis services through Internet hospitals for patients that have been diagnosed with certain common diseases or chronic diseases, unless the patients are in physical hospitals and the physicians in the physical hospital invite other physicians to provide diagnosis services through Internet hospital.

Pursuant to the Measures for the Administration of Internet Diagnosis and Treatment (Trial) (互聯網診療管理辦法(試行)), Internet diagnosis and treatment activities shall be provided by the medical institutions that have obtained a “Practicing License for Medical Institution”, and the Internet-based diagnosis services provided by a medical institution shall be consistent with its diagnosis subjects. No Internet-based diagnosis services shall be provided to patients seeking initial medical consultation.

On February 8, 2022, the NHC and the NATCM jointly promulgated the Rules on the Supervision of Internet Diagnosis and Treatment (Trial) (互聯網診療監管細則(試行)). Pursuant to such provisions, medical institutions shall fully inform patients of the rules, requirements and risks associated with internet-based medical consultations, and may only conduct such activities after obtaining the patient’s informed consent. Physicians who practice at Internet hospitals other than their main institutions of practice shall file Multi-site Practice Registration/Filing. A medical institution shall conduct real-name verification for the medical staff members carrying out internet diagnosis and treatment activities.

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Our operational model is structured around a “prerequisite offline, supplemental online” framework. Our patients that have been diagnosed with certain common diseases or chronic diseases in our offline licensed medical institutions may receive online follow-up diagnosis, treatment and prescription services through the Internet Hospital. Therefore, we shall obtain the approval from competent health authorities for the establishment of our Internet Hospital.

Our Internet Hospital is an Internet hospital affiliated to the physical medical institution of the Company and registered under the official second name of the Company. As advised by our PRC Legal Advisors, our Internet Hospital had obtained all material licenses and approvals required for its current operations, and such licenses have been valid and remained in effect during the Track Record Period and up to the Latest Practicable Date. In addition, our operational model is structured around a “prerequisite offline, supplemental online” framework, which complies with the requirements under the aforesaid PRC laws. Furthermore, our Internet Hospital system has obtained the filing certificate for Class III Information System Security Protection as required. Moreover, during the Track Record Period and up to the Latest Practicable Date, the Group has not been subject to any investigations or penalties by any competent government authorities for violation of laws and regulations relating to Internet hospitals. Based on the foregoing, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, the Group has complied with the applicable PRC laws and regulations relating to internet hospitals in all material respects.

REGULATIONS RELATING TO TCM PRESCRIPTION PREPARATIONS

According to the Notice on Strengthening the Administration of the Promotion and Application of TCM Pastes in Medical Institutions (國家中醫藥管理局關於加強對醫療機構膏方推廣應用管理的通知) issued by the National Administration of Traditional Chinese Medicine (國家中醫藥管理局) on April 1, 2013, medical institutions providing TCM paste services shall possess corresponding qualifications and conditions. TCM paste prescriptions shall be issued by licensed TCM physicians, and the preparation thereof may be carried out by medical institutions themselves or entrusted to qualified enterprises.

Pursuant to the Opinions on Strengthening the Administration of Traditional Chinese Medicine Preparations in Medical Institutions (關於加強醫療機構中藥制劑管理意見) issued by the Ministry of Health, the State Administration of Traditional Chinese Medicine, and the State Food and Drug Administration in August, 2010, as well as the provisions of the Heilongjiang Province Traditional Chinese Medicine Regulations (黑龍江省中醫藥條例) promulgated by the Standing Committee of the People’s Congress of Heilongjiang Province on October 22, 2020 and effective as of January 1, 2021, products processed using traditional TCM techniques in accordance with physicians’ prescriptions (“**one prescription, one preparation**”) commissioned by patients shall not be regulated as in-hospital preparations. Our TCM paste is one of dosage forms of prescription preparations and it is different from in-hospital preparations.

The Measures for the Administration of Prescriptions (處方管理辦法), which was promulgated by Ministry of Health on February 14, 2007 and came into effect on May 1, 2007, is the core regulation governing the prescription, dispensing and storage of prescriptions in medical institutions, aiming to ensure medication safety, standardize prescription practices and promote rational drug use. In accordance with the relevant provisions of the Measures for the Administration of Prescriptions, only licensed physicians practicing at their licensed practice sites (i.e., medical institutions within the Group) may issue prescriptions, and only pharmacists with pharmaceutical professional qualifications may dispense prescriptions.

The Administrative Norms for TCM Decocting Rooms in Medical Institutions (醫療機構中藥煎藥室管理規範), which was promulgated by the National Health Commission and the State Administration of Traditional Chinese Medicine on March 16, 2009, only govern the TCM decocting services conducted directly by medical institutions themselves. As of the Latest Practicable Date, there are no national-level laws and regulations prohibiting medical institutions from entrusting third parties with TCM decocting services, or imposing qualification requirements or specific compliance requirements on such entrustment arrangements, and only a few local government authorities have issued relevant regulations in this regard. For example, pursuant to the Norms for the Quality Administration of Entrusted

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Decoction and Distribution Services of TCM Decoction Pieces by TCM Decoction Piece Manufacturers and Distributors Engaged by Medical Institutions in Chongqing Municipality (for Trial Implementation) (重慶市醫療機構委託中藥飲片生產經營企業提供中藥飲片代煎、配送服務質量管理規範(試行)) jointly issued by the Chongqing Municipal Health Commission, Chongqing Municipal Administration of Traditional Chinese Medicine and Chongqing Municipal Administration for Market Regulation on December 15, 2023, the entrusted enterprise shall have obtained the Drug Production License or Drug Business License in accordance with the law, engage in the production or distribution of TCM decocting pieces, comply with relevant national or local laws and regulations in respect of TCM decocting pieces standards and administration, and shall not provide TCM decocting services beyond its business scope as specified in its business license.

However, the competent government authorities of Heilongjiang Province where our subsidiary engaging in TCM decoction services is located have not promulgated regulations in this regard.

The Group’s TCM prescribed preparations complied with relevant laws and regulations regarding TCM paste services in all material respects in the PRC during the Track Record Period and up to the latest practicable date.

REGULATIONS RELATING TO IN-HOSPITAL PREPARATIONS

According to the Drug Administration Law (藥品管理法), which was promulgated by the SCNPC and last amended in 2019, medical institutions preparing in-hospital preparations shall subject to approval by the provincial drug administrative department where they are located and obtain a medical institution preparation license. Medical institutions should prepare in-hospital preparations in accordance with the approved processes, and the raw materials, excipients and packaging materials should meet the medicinal requirements. In-hospital preparations shall not be sold on the market.

According to the Law of the PRC on Traditional Chinese Medicine (中華人民共和國中醫藥法), which was promulgated by the SCNPC on December 25, 2016 and came into effect on 1 July 2017, medical institutions preparing in-hospital TCM preparations shall obtain a medical institution preparation license, or entrust a pharmaceutical manufacturing enterprise that has obtained a drug production license or other medical institutions that have obtained a medical institution preparation license to prepare in-hospital TCM preparations. When entrusting the preparation of in-hospital TCM preparations, the entrusting party shall file with the provincial drug regulatory department where it is located. The in-hospital preparations prepared by medical institutions shall obtain a preparation approval number. However, in-hospital preparations prepared solely with traditional techniques may be prepared after filing with the provincial drug regulatory department where it is located, without the need to obtain a preparation approval number.

The State Council revised the Implementation Rules for the Drug Administration Law (藥品管理法實施條例)(the “**Revised Implementation Rules**”) in 2026, and the Revised Implementation Rules came into effective on May 15, 2026. The Revised Implementation Rules restate the aforesaid requirements and provide detailed implementation rules. Specifically, the Revised Implementation Rules provide that, among others, drugs subject to special national administration, including vaccines, blood products, narcotic drugs, psychotropic drugs, toxic drugs for medical use, radioactive drugs, drug precursor chemicals, shall not be sold through online channels; other drugs with relatively high medication risks shall not be retailed online. The specific catalogue thereof shall be formulated by the drug supervision and administration department under the State Council. In addition, physicians shall not prescribe the aforementioned drugs during online diagnosis and treatment activities.

Following the effectiveness of the Revised Implementation Rules, the relevant government authorities have not yet promulgated a new catalogue of drugs prohibited from online sale.

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REGULATIONS RELATING TO PHARMACEUTICAL OPERATION

According to the Drug Administration Law, undertaking of drug wholesale shall be subject to approval by the drug administrative department of the People’s Government of the province, autonomous region or centrally administered municipality at their locality, and shall obtain a drug business permit. Undertaking of drug retail shall be subject to approval by the drug administrative department of a People’s Government of county level and above at the locality and shall obtain a drug business permit. The Implementation Rules for the Drug Administration Law (藥品管理法實施條例), was promulgated by the State Council in August 2002 and last amended in 2026, which emphasized the detailed implementation rules of drugs administration.

The Administrative Standard of Pharmaceutical Operating Quality (藥品經營質量管理規範), promulgated by the CFDA in April 2000 and last amended in 2016, stipulates the pharmaceutical operation enterprises shall implement effective quality control measures throughout the procurement, storage, sale, and transportation of medicinal products to ensure their quality.

REGULATIONS RELATING TO ONLINE DRUG INFORMATION SERVICES

Pursuant to the Measures Regarding the Administration of Drug Information Service over the Internet (互聯網藥品信息服務管理辦法), promulgated by CFDA on July 8, 2004 and amended on November 17, 2017, the operational Internet drug information service refers to service activities that provide information on pharmaceuticals (including medical devices) to internet users via the internet, and where any website intends to provide Internet drug information services, it shall, prior to applying for an operation permit or record-filing from the State Council’s department in charge of information industry or the telecom administrative authority at the provincial level, file an application with the provincial FDA, and shall be subject to the examination and approval thereof for obtaining the qualifications for providing Internet drug information services. In accordance with the provisions of the Circular on Effectively Promoting the Pilot Reform Experience (關於做好有關改革試點經驗推廣落實工作的通知), issued by the General Office of the National Medical Products Administration on January 15, 2025, as of the effective date of January 20, 2025, the original item of “examination and approval of internet-based drug and medical device information services” has been officially changed to filing management.

Pursuant to the Measures for the Administration of Filing of Internet-based Drug and Medical Device Information Services, (互聯網藥品醫療器械信息服務備案管理規定) promulgated by the NMPA on December 19, 2025, before providing internet-based drug information services, the information service provider shall submit filing materials to the provincial-level drug supervision and administration department in the place where it is located. The service can only be carried out after the completion of filing.

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REGULATIONS RELATING TO MEDICAL DEVICES OPERATION

The Measures on the Supervision and Administration of the Business Operations of Medical Devices (醫療器械經營監督管理辦法) (“the Measures on Business Operations of Medical Devices”), which was promulgated by CFDA on July 30, 2014 and last amended by the SAMR on March 10, 2022, and took effect on May 1, 2022 applies to any business activities of medical devices as well as the supervision and administration thereof conducted within the territory of the PRC. According to the Measures on Business Operations of Medical Devices, medical devices are divided into three classes based on their risk level. Entities engaged in distribution of Class III medical devices shall obtain a medical device operating license and entities engaged in distribution of Class II medical devices shall complete filings with the competent local Medical Products Administration, while entities engaged in distribution of medical devices of Class I are not required to conduct any filing or obtain any license.

REGULATIONS RELATING TO THE PRICE OF HEALTHCARE SERVICE

According to the Notice of Issues Related to the Implementation of Market Price Adjustment of Healthcare Services by Non-Public Medical Institutions (關於非公立醫療機構醫療服務實行市場調節價有關問題的通知) promulgated and implemented on March 25, 2014 by NDRC, the NHFPC and the Ministry of Human Resources and Social Security (the “MHRSS”), the price of healthcare services provided by non-public medical institutions to be set with reference to the market level. Non-public medical institutions which are for-profit in nature may set the price list for their healthcare services at their own discretion. Non-public medical institutions which are non-profit in nature shall set the price list for their healthcare services according to the National Standard Price List of Healthcare Services (全國醫療服務價格項目規範).

REGULATIONS RELATING TO MEDICAL PRACTITIONERS OF MEDICAL INSTITUTIONS

Pursuant to the Law on Physicians of the People’s Republic of China (中華人民共和國醫師法) promulgated by the SCNPC on August 20, 2021, became effective on March 1, 2022, a physician refers to a professional medical practitioner who has lawfully obtained medical qualifications and is registered to practice within a healthcare institution, including both qualified physicians and assistant physicians. Qualified physicians and assistant physicians must register with the relevant health administrative authorities at county level or above. After registration, physicians may practice in medical institutions of their registered location under the type of registered specialty to provide the relevant medical services.

According to the Administrative Measures for the Registration of Practicing Physicians (醫師執業註冊管理辦法) promulgated by the NHFPC on February 28, 2017 amended by the NHC on June 5, 2026, medical physicians must register and obtain the Physician Practicing Certificate (醫師執業證書) before they commence practice, and no person shall engage in medical and health care activities without having obtained the Physician Practicing Certificate as a registered medical practitioner. For a physician who wants to practice in multiple institutions within the same place of practice, he/she shall determine a specific institution as the main practicing institution, apply for registration with the competent health authority which approved the aforesaid institution’s operation; as to other institutions where the practitioner is to practice, the practicing physician shall apply for adding such institutions with the health authorities competent to approve the institutions’ operation and indicate the name of the institutions.

The Regulations on Nurses (護士條例) which was promulgated by the State Council on January 31, 2008, came into effect on May 12, 2008 and amended on March 27, 2020, stipulates that for nursing practice, a nurse must obtain the Nurse Practicing Certificate, which is valid for five years. The number of nurses deployed to a medical institution shall not be less than the standard number as prescribed by the competent health administration authority. Pursuant to the Administrative Measures for the Registration of Practicing Nurses (護士執業註冊管理辦法) promulgated by the MOH on May 6, 2008 and became effective on May 12, 2008 and amended on January 8, 2021, nurses must register and obtain the Nurse Practicing Certificate before they practice nursing at the registered practicing place.

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Pursuant to the Drug Administration Law promulgated by the SCNPC on August 26, 2019 and came into effect on December 1, 2019, pharmacists or other pharmacy technicians who are qualified in accordance with the law shall be responsible for the medicinal product management, review and dispensing of prescriptions, guidance on rational medication, and other work of the enterprise employing them. Non-pharmacy technicians shall not be directly engaged in pharmacy technology. Qualified pharmacists or other pharmacy technicians in accordance with the law shall dispense prescriptions, shall be checked, the prescription of drugs listed shall not be changed without authorization or substitution.

In addition, the Administrative Measures for the Registration of Licensed Pharmacists (執業藥師註冊管理辦法) which was promulgated and came into effect on June 18, 2021, provides the procedure for the registration of practicing pharmacists, the requirements for registration, and the rights and obligations of practicing pharmacists.

REGULATIONS RELATING TO MEDICAL ADVERTISEMENT

According to the Advertising Law of the PRC (中華人民共和國廣告法)(the “**Advertising Law**”) promulgated by the SCNPC on October 27, 1994, amended on April 24, 2015, October 26, 2018 and April 29, 2021, and the Administrative Measures for Internet Advertisement (互聯網廣告管理辦法) promulgated by the SAMR on February 25, 2023 and became effective on May 1, 2023, advertisements shall not contain false statements that are deceitful or misleading to consumers. Advertisements for medical treatment, pharmaceuticals and medical devices shall be reviewed by the relevant authorities before they are published. No such advertisement shall be published without being reviewed.

According to the Administrative Measures on Medical Advertisement (醫療廣告管理辦法), which was jointly promulgated by the MOH and the State Administration of Industry and Commerce (the “**SAIC**”) on September 27, 1993 and last amended on November 10, 2006 and came into effect on January 1, 2007, any medical institution that intends to publish any medical advertisement shall apply for medical advertisement examination and obtain Medical Advertisement Examination Certificate (醫療廣告審查證明). The Medical Advertisement Examination Certificate shall be valid for one year. The health administration department and the traditional Chinese medicine administration department shall be responsible for reviewing medical advertisements and for the supervision and management of medical institutions.

Pursuant to the Interim Administrative Measures for Censorship of Advertisements for Drugs, Medical Devices, Dietary Supplements and Foods for Special Medical Purpose (藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法), which were promulgated by the SAMR on December 24, 2019, effective on March 1, 2020, no advertisement for any drug, medical device, dietary supplement or formula food for special medical purpose may be published without review by SAMR or its local branches. Advertisements on drugs, medical devices, dietary supplements and formula foods for special medical purpose shall be authentic and legal, and shall not contain any false or misleading content.

REGULATIONS RELATING TO MEDICAL INCIDENTS

The Civil Code of the PRC (中華人民共和國民法典)(the “**Civil Code**”) was adopted by the third session of the 13th National People’s Congress on May 28, 2020 and became effective on January 1, 2021. The Civil Code provides that where medical personnel fail to fulfil their diagnostic and therapeutic obligations commensurate with the prevailing standard of medical practice during the course of treatment, thereby causing harm to the patient, the medical institution shall bear liability for compensation. The Regulations on Handling Medical Incidents (醫療事故處理條例), which was promulgated by the State Council on April 4, 2002 and came into effect on September 1, 2002, provides a legal framework and specific regulations regarding the prevention, identification, compensation and penalties of or relating to cases involving personal injury to patients caused by medical institutions or medical personnel due to malpractice.

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REGULATIONS RELATING TO INTERNET SECURITY

On June 22, 2007, the Ministry of Public Security of PRC, National Administration of State Secrets Protection and other governmental authorities issued the Administrative Measures for the Graded Protection of Information Security (信息安全等級保護管理辦法), which regulates that the security protection of an information system may be graded into five. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the level of city divided into districts or above. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record filing procedures at the local public security organ at the level of municipality divided into districts or above.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC, or the Cyber Security Law (網絡安全法), which was amended on October 28, 2025 and came into effect on January 1, 2026. The Cybersecurity Law requires that a network operator, which includes, among others, internet information services providers, take technical measures and other necessary measures in accordance with the provisions of applicable laws and regulations as well as the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of the networks.

On July 12, 2018, the NHC promulgated the Administrative Measures on Standards, Security and Services of National Healthcare Big Data (for Trial Implementation)(國家健康醫療大數據標準、安全和服務管理辦法(試行))(the “**Measures on Healthcare Big Data**”), which became effective on the same day. Pursuant to the Measures on Healthcare Big Data, medical institutions and relevant enterprises, including those entrusted by medical institutions to storage or operate healthcare big data, shall, among other things, take measures such as data classification, data backup and encryption to ensure data security, and provide secured channels for information inquiries and copying. Medical institutions and relevant enterprises shall also comply with laws and regulations on classified protection of cyber security and cybersecurity reviews. When selecting a service provider of healthcare big data, the medical institution shall ensure that the provider complies with national and industrial regulations and rules, is competent in carrying out the relevant regulations, systems and standards and guaranteeing data security, and has established systems for data security management, personal privacy protection and emergency response management.

On December 28, 2021, CAC and other related authorities promulgated the Cybersecurity Review Measures (2021)(網絡安全審查辦法(2021年)), which replaced the previous version and became effective on February 15, 2022. The Cybersecurity Review Measures proposes the following key matters: (i) the network platform operators holding personal information of more than one million users and seeking a listing in foreign countries shall file for cybersecurity review with the Cybersecurity Review Office; and (ii) critical information infrastructure operators that purchase network products and services shall anticipate the potential national security risk of products and services after they enter operation. If they affect or may affect national security, a cybersecurity review shall be reported to the Cybersecurity Review Office. In addition, the competent governmental 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 promulgated the Regulations on the Administration of Cyber Data Security (網絡數據安全管理條例)(the “**Data Security Regulations**”), which is applicable to network data processing activities conducted within the territory of the PRC and took effect on January 1, 2025. The Data Security Regulations stipulate that data processors engaging in data processing activities that affect or may affect national security shall be subject to national security review in accordance with relevant laws and regulations. Furthermore, the Data Security Regulations include, but are not limited to, the following provisions: (i) the Data Security Regulations provide

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specific guidelines to clarify the PIPL regarding notification, consent, and individuals’ rights; (ii) the Data Security Regulations outline the requirements for establishing an important data catalog and stipulate the responsibilities of network data processors to identify and report important data.

REGULATIONS RELATING TO PERSONAL INFORMATION OR DATA PROTECTION

Pursuant to the Regulations for Medical Institutions on Medical Records Management (醫療機構病歷管理規定) promulgated on November 20, 2013, and effective on January 1, 2014, the medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients’ medical records for non-medical, non-teaching or non-research purposes is prohibited.

Pursuant to the Ninth Amendment to the Criminal Law (刑法修正案(九)), issued by the SCNPC on August 29, 2015, which became effective on November 1, 2015, any Internet service provider that fails to fulfill its obligations related to Internet information security administration as required under applicable laws and refuses to rectify upon orders shall be subject to criminal penalty. In addition, Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋), issued on May 8, 2017 and effective as of June 1, 2017, clarified several concepts regarding the crime of “**infringement of citizens’ personal information**” stipulated by Article 253A of the Criminal Law of the PRC (中華人民共和國刑法), including the “**provision of citizens’ personal information**” and “**illegally obtaining any citizen’s personal information by other methods**”.

On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the General Office of the SAMR jointly issued the Notice on the Measures for Determining the Illegal Collection and Use of Personal Information through Mobile Applications (App違法違規收集使用個人信息行為認定方法), which further elaborates the forms of behavior constituting illegal collection and use of the personal information through mobile applications including: (i) failing to publish the rules on the collection and use of personal information; (ii) failing to explicitly explain the purposes, methods and scope of the collection and use of personal information; (iii) collecting and using personal information without the users’ consent; (iv) collecting personal information unrelated to the services they provide and beyond the necessary principle; (v) providing personal information to others without the users’ consent; and (vi) failing to provide the function of deleting or correcting the personal information according to the laws or failing to publish information such as ways of filing complaints and reports.

In addition, on May 28, 2020, the National People’s Congress of the PRC approved the PRC Civil Code (中華人民共和國民法典), which came into effect on January 1, 2021. Pursuant to the PRC Civil Code, the personal information of a natural person shall be protected by the law. An information processor shall not disclose or tamper with any personal information collected or stored thereby; and without the consent of the natural person, no personal information shall be illegally provided to any other person.

Pursuant to the Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet Apps (工業和信息化部關於開展移動互聯網應用程序備案工作的通知), promulgated by the MIIT on July 21, 2023 and became effective on the same day, any operator of App (including mini programs and quick applications) that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Law of the People’s Republic of China Against Telecommunications and Internet Frauds (中華人民共和國反電信網絡詐騙法), the Administrative Measures on Internet-based Information Services (互聯網信息服務管理辦法) and other regulations. Any App operator that fails to complete the record-filing formalities shall not engage in App Internet information services.

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On July 30, 2021, the State Council promulgated the Regulations on Protection of Critical Information Infrastructure (關鍵信息基礎設施安全保護條例), which became effective on September 1, 2021. Pursuant to the Regulations on Protection of Critical Information Infrastructure, a critical information infrastructure refers to an important network facilities or information systems in important industries or fields such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people’s livelihood and public interest in case of damage, function loss or data leakage. In addition, competent departments and administration departments of each important industry and field, or Protection Departments, shall be responsible to formulate determination rules and identify the critical information infrastructure operator in the respective important industry or field. The result of the determination of critical information infrastructure operator shall be informed to the operator, and notify the public security department of the State Council.

On June 10, 2021, the SCNPC passed the Data Security Law (數據安全法), which became effective as of September 1, 2021. The Data Security Law provides that entities and individuals carrying out data activities shall establish a data classification and grading protection system and important data catalogs to enhance the protection of important data, clarifies the scope of data to cover a wide range of information records by electronic or other means, and requires that data collection shall be conducted in a legitimate and proper manner, and the theft or illegal collection of data is not permitted. In addition, data processing activities shall be conducted on the basis of the graded protection system for cybersecurity. Monitoring of data processing activities shall be strengthened, and remedial measures shall be taken immediately in case of discovery of risks regarding data security related defects or bugs. In case of data security incidents, responsive measures shall be taken immediately, and disclosure to users and report to the competent authorities shall be made in a timely manner.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (個人信息保護法), which took effect on November 1, 2021. The Personal Information Protection Law stipulates the circumstances in which a processor of personal information may process personal information, including, but not limited to, when the consent of the individual concerned has been obtained and when it is necessary for the conclusion or performance of a contract to which the individual is a party. It has also set out a number of specific rules on the obligations of processors of personal information, such as informing individuals of the purpose and method of processing, and the obligations of third parties who obtain personal information through co-processing or entrustment.

On August 8, 2022, NHC, NATCM, and National Disease Control and Prevention Administration jointly promulgated the Administrative Measures for the Cybersecurity of Medical and Healthcare Institution (醫療衛生機構網絡安全管理辦法) with immediate effect. Administrative Measures for the Cybersecurity of Medical and Healthcare Institutions require full life-cycle management of cyber security and data.

Furthermore, on July 7, 2022, the CAC promulgated the Measures for Data Cross-border Transfer Security Assessment (數據出境安全評估辦法), which became effective on September 1, 2022. Such data export measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad, including the following circumstances: (i) a data processor transfers important data abroad; (ii) a critical information infrastructure operator or a data processor processing the personal information of more than one million persons transfers personal information abroad; and (iii) a data processor, which has provided a total of 100,000 persons’ personal information or 10,000 persons’ sensitive personal information abroad since January 1 of the previous year, provides personal information abroad; or (iv) under other circumstances as stipulated by the CAC.

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On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flows (促進和規範數據跨境流動規定), which became effective the same day. The regulations provide several exemptions for enterprises from the need to conduct data outbound security assessments, obtain personal information protection certifications, or enter into standard contracts for the export of personal information. These exemptions include, but are not limited to, situations where data processors other than operators of critical information infrastructure have provided personal information (excluding sensitive personal information) to overseas recipients for less than 100,000 individuals since January 1 of the current year. Data processors other than operators of critical information infrastructure who have provided (a) personal information (excluding sensitive personal information) to overseas recipients for more than 100,000 but less than 1,000,000 individuals, or (b) sensitive personal information for less than 10,000 individuals since January 1 of the current year, shall enter into standard contracts for the export of personal information or obtain personal information protection certifications with the overseas recipients in accordance with the law. The regulations also explicitly stipulate that data processors are not required to declare a data export security assessment for data that has not been notified or publicly released as important data by relevant departments or regions.

On February 12, 2025, the CAC promulgated the Administrative Measures for the Compliance Audit of Personal Information Protection (個人信息保護合規審計管理辦法), which took effect on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least once every two years.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

In accordance with the Copyright Law of the PRC (中華人民共和國著作權法) which was promulgated by the SCNPC on September 7, 1990, and was last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the PRC Copyright Law (中華人民共和國著作權法實施條例) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, be entitled to copyrights in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

The Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法), which was promulgated by the National Copyright Administration on February 20, 2002, and last amended on June 18, 2004 and became effective on July 1, 2004, regulates the registration of software copyright, the exclusive licensing contract and assignment contracts of software copyright.

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 came into effect on June 1, 2021 and the Implementing 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 China Patent Bureau Council on January 19, 1985, and last amended on December 11, 2023 and came into effect on January 20, 2024, provide three types of patents, “**invention**”, “**utility model**” and “**design**”. Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of filing application. A third party must procure consent or proper licensing from the patent owner to use the patent. Otherwise, the use constitutes infringement of the patent.

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Trademarks are protected by the Trademark Law of the PRC (中華人民共和國商標法) which was promulgated on August 23, 1982 and last amended on April 23, 2019 and took effect on November 1, 2019 as well as the Implementation Regulation of the PRC Trademark Law (中華人民共和國商標法實施條例) adopted by the State Council on August 3, 2002 and revised on April 29, 2014. The Trademark Office of China National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the PRC and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term.

In accordance with the Administrative Measures on Internet Domain Names (互聯網域名管理辦法) which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration. Domain name registration follows a “**first come, first file**” principle as well.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法) promulgated by the SCNPC on December 26, 1989 and amended on April 24, 2014 and became effective on January 1, 2015, enterprises, institutions, and other production and business operators shall prevent and minimize environmental pollution and ecological damage, and shall bear liability in accordance with the law for any harm caused. Installations for the prevention and control of pollution at a construction project must be designed, built and commissioned together with the principal part of the project.

Pursuant to the Environmental Impact Assessment Law of the People’s Republic of China (中華人民共和國環境影響評價法) promulgated by the SCNPC on October 28, 2002, became effective on September 1, 2003 and amended on July 2, 2016 and December 29, 2018, the State implements administration by classification on the environmental impact of construction projects according to the level of impact on the environment. The construction entity shall prepare an environmental impact report, or an environmental impact form or complete an environmental impact registration form (the “**Environmental Impact Assessment Documents**”) for reporting and filing purpose. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity is prohibited from commencing construction works.

Pursuant to the Regulations on the Management of Medical Waste (醫療廢物管理條例), which was promulgated by the State Council on June 16, 2003 and amended on January 8, 2011, and the Implementation Measures of the Management of Medical Waste (醫療衛生機構醫療廢物管理辦法), which was promulgated by the MOH on October 15, 2003 and came into effect on the same day, medical or health institution shall register medical wastes, manage medical wastes under classification and undertake management of duplicate forms for transfer of hazardous waste in accordance with the Catalogue of Classified Medical Wastes (醫療廢物分類目錄), and deliver medical wastes to an entity for centralized disposal of medical wastes and licensed by a relevant environment protection administrative department for disposal. Sewage generated by any health institution and excretion of its patients or suspected patients of infectious diseases shall be sterilized in strict accordance with the relevant provisions, and shall not be discharged into sewage disposal systems until the discharging standards are met.

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REGULATIONS RELATING TO FIRE SAFETY

According to the Fire Protection Law of the PRC (the “**Fire Protection Law**”, 《中華人民共和國消防法》) promulgated by the NPC on April 29, 1998 and last amended on April 29, 2021, and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and last amended on August 21, 2023 and came into effect on October 30, 2023, special construction projects, including but not limited to outpatient buildings of hospitals with more than 2,500 sq.m and ward buildings of hospitals and sanatoriums with more than 1,000 sq.m, shall apply for fire protection design approval. For other construction projects, when the construction entity applies for construction permit or for approval of commencement report, it shall provide the fire protection design drawings and technical materials satisfying the requirement of the construction and such construction project shall be subject to the filing and random inspection system. The competent housing and urban-rural development authority replaced fire protection and rescue departments to monitor and administer the fire protection as-built acceptance check and filing. Upon completion of construction of a development project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. For other development projects, the developer shall complete filing formalities with the housing and urban-rural development authority following the inspection and acceptance, the housing and urban-rural development department shall conduct spot check.

LAWS AND REGULATIONS ON CORPORATION

The PRC Company Law (《中華人民共和國公司法》), which was promulgated on December 29, 1993, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023 respectively and came into effect on July 1, 2024, regulates the establishment, operation, corporate structure, and management of corporate entities in China. Companies established in the PRC may take the form of limited liability company or limited company by shares. Each company has independent legal person property and enjoys legal person property rights. The legitimate rights and interests of the company are protected by law and are inviolable.

REGULATIONS RELATING TO FOREIGN INVESTMENT

General Policies

On March 15, 2019, the NPC promulgated the PRC Foreign Investment Law (《中華人民共和國外商投資法》)(the “**Foreign Investment Law**”), which came into effect on January 1, 2020. The Foreign Investment Law is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the negative list, and the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments.

The Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version)(《外商投資准入特別管理措施(負面清單)(2024年版)》)(the “**Negative List**”) which was promulgated by the MOFCOM and the NDRC in September 2024, and came into effect on November 1, 2024, sets out special administrative measures (restricted or prohibited) in respect of the access of foreign investments in a centralized manner. According to the Negative List, medical institutions are limited to joint venture and may not conduct prohibited scientific research and technical services.

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Foreign Investment in Medical Institution

Pursuant to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法), which was promulgated by the MOH and the Ministry of Foreign Trade and Economic Cooperation on May 15, 2000 and came into effect on July 1, 2000, and its Supplementary Provisions allow foreign investors to partner with Chinese medical entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture. The equity share or interest held by the Chinese joint venture or cooperative partner in the Sino-foreign joint venture or cooperative medical institution shall not be less than 30%.

REGULATIONS RELATING TO OVERSEAS LISTINGS

The CSRC promulgated the Trial Administrative Measures on the Overseas Securities Offering and Listing of Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and several relevant guidelines (collectively the “**Overseas Listing Trial Measures**”) on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies’ securities, either directly or indirectly, into a filing-based system. According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing.

REGULATIONS RELATING TO THE H SHARE FULL CIRCULATION

On November 14, 2019, CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引)(“**Guidelines for the Full Circulation**”), which were amended on August 10, 2023. As regulated in the Guidelines for “Full Circulation,” 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 initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded 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.

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REGULATIONS RELATING TO LABOR

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (中華人民共和國勞動法) promulgated by the SCNPC on July 5, 1994, which was most recently amended and came into effect on December 29, 2018, the Labor Contract Law of the PRC (中華人民共和國勞動合同法) promulgated by the SCNPC on June 29, 2007, which was last amended on December 28, 2012 and came into effect on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (中華人民共和國勞動合同法實施條例) promulgated by the State Council on September 18, 2008 and came into effect on the same date. Pursuant to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written forms. These series of laws and regulations set out specific provisions concerning the execution, the terms and the termination of a labor contract, and the rights and obligations of the employees and employers, respectively.

According to the Social Insurance Law of PRC (中華人民共和國社會保險法), the Interim Regulations on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), and the Regulations on the Administration of Housing Provident Funds (住房公積金管理條例), employers are required to open social insurance accounts and housing provident fund accounts within 30 days from the date of employment, and employers are also required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and to housing provident funds. Any employer who fails to contribute such amounts may be fined and ordered to make good the deficit within a stipulated time limit.

On July 31, 2025, the Supreme People’s Court of the PRC issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), which took effect from September 1, 2025. The Interpretation II clarifies the mandatory obligation of the employers to pay social insurance premiums and protect the legitimate rights and interests of employees as well as social public interests.

REGULATIONS ON MANAGEMENT OF LEASE HOUSING

According to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 1 December 2010 and came into effect on 1 February 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people’s government of a municipality directly under the central government of the PRC, city or county where the house leased is located. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people’s government of a municipality directly under the central government, city or county. If any individual fails to do so, a fine of less than RMB1,000 will be imposed, while if any entity fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

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REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) which was last amended on December 29, 2018, and the State Council enacted the Regulations for the Implementation of the Law on Enterprise Income Tax of the PRC (中華人民共和國企業所得稅法實施條例) which were last amended on December 6, 2024 (collectively, the “**EIT Law**”). Under the EIT Law, the rate of enterprise income tax shall be 25%, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC’s government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on the Relevant Tax Policies in Respect of Medical and Hygiene Institutions (財政部、國家稅務總局關於醫療衛生機構有關稅收政策的通知), which was promulgated by the MOF and the SAT on July 10, 2000 and became effective on the same date and further revised by the MOF on May 18, 2009 and became effective on January 1, 2009, medical services income obtained by the NMIs at the price set by the state shall be exempted from any taxes. As for those medical services income which is not obtained at the price set by the state, this exemption policy shall not apply. Taxes on the income obtained by the Profit Medical Institutions shall be imposed in accordance with relevant provisions.

Value-added Tax

On 25 December 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (中華人民共和國增值稅法) (“**VAT Law**”), which came into effect on January 1, 2026, and the Provisional Regulations of the PRC on Value-Added Tax was repealed concurrently. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Withholding Tax and International Tax Treaties

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (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)(the “**Tax Treaty**”) entered into between Mainland China and the Hong Kong Special Administrative Region, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise.

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REGULATIONS RELATING TO FOREIGN EXCHANGE

The legal currency of the PRC is Renminbi, which is currently subject to foreign exchange regulation and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange (the “SAFE”) with the authorization of People’s Bank of China (the “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

The PRC Foreign Exchange Administration (中華人民共和國外匯管理條例)(the “**Foreign Exchange Regulations**”) which was promulgated by the State Council on January 29, 1996 and last amended on August 1, 2008 classify all international payments and transfers into current items and capital items. No restriction will be imposed on international current payments and transfers, while capital items remain unchanged.

According to the Notice of the SAFE on Further Improving and Adjusting Policies Relating to Foreign Exchange Administration in Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知), which was promulgated by the SAFE on November 19, 2012, became effective in December 2012, and was amended in May 2015, October 2018 and December 2019 respectively, foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of 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)(the “**SAFE Circular 19**”), effective in June 2015 and last amended on March 23, 2023. SAFE Circular 19 regulates the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested enterprise may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China.

The Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (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)(the “**SAFE Circular 16**”) was promulgated by the SAFE on June 9, 2016 and last amended on December 4, 2023, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.