

Sino Biopharmaceutical Limited

Tax standard

1. Purpose

Sino Biopharmaceutical Limited together with its subsidiaries (hereinafter referred to as "Sino Biopharmaceutical", "the Group") deeply understands that adequate and effective tax management and risk prevention and control are key conditions to ensure the sound operation of the Group and achieve its strategic objectives and corporate mission. This policy is formulated to regulate the tax administration of the Group.

2. Applicability

This policy is applicable to the Group. All units within the Group shall strictly adhere to this Policy when formulating their own internal tax administration systems.

3. Basic Principles

The Group adheres to the following fundamental principles of tax administration:

- Comply with the tax laws and regulations of the countries/regions where the Group operates and make tax payments lawfully.
- Establish, maintain and abide by the Group's internal tax policy and tax risk prevention and control mechanism.
- Do not transfer the created value to low-tax jurisdictions and refrain from using tax structures lacking commercial substance.
- Transfer pricing is based on the principle of separate transactions.
- Regulate tax payment behavior, and appropriately plan tax payment schemes to mitigate tax risks.
- Take the initiative to communicate with the tax administrative departments of the government on major tax-related matters, and maintain a favorable tax-enterprise relationship.

4. Management Methods

- (1) Strengthen tax management team building

All members of the Group's tax team possess the requisite knowledge and qualification requirements for tax practice and meet the internal and external management needs of the Group through continuous professional training and independent learning.

(2) Enhance tax administration and risk prevention and control mechanisms

The Group monitors updates to tax laws and regulations in real time to ensure that tax policies and procedures comply with the requirements.

The Group has continuously refined its tax management system, clarified the procedures for identifying, assessing, managing, monitoring and reporting potential risks, and standardized and streamlined tax risk management to provide appropriate guidance to relevant staff.

For significant tax-related issues, the Group implements adequate assessment and argumentative procedures to reduce the risk of tax application and seeks external professional support when necessary.

(3) Strengthen communication with regulators

The Group actively fulfills its information reporting, filing and disclosure obligations in accordance with domestic and foreign tax laws and regulations to enhance the transparency.

5. Supplementary Provisions

Anything not covered in this policy, or contrary to the relevant laws, regulations, or normative documents of the People's Republic of China, should be implemented in accordance with the relevant laws, regulations, or normative documents of the People's Republic of China.