TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Taxes for Securities Holders

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

The discussion does not address any PRC tax issues other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective **[REDACTED]** should consult their tax advisors regarding the Chinese and other tax implications of holding and disposing of H-shares.

PRC Taxation

Taxation Regarding Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), as last amended by the Standing Committee of the National People's Congress ("NPCSC") on August 31, 2018 and effective as of January 1, 2019 (the "Individual Income Tax Law"), and the Regulations for the Implementation of the Individual Income Tax Law of the People's

Republic of China, as last amended by the State Council on December 18, 2018 and effective as of January 1, 2019, dividends distributed by PRC enterprises are subject to a flat tax rate of 20% for individual income tax. For foreign individuals who are not Chinese residents, if they receive dividends from Chinese enterprises, they are normally subject to 20% individual income tax, unless they obtain a special exemption from the tax authorities of the State Council or a reduction or exemption under the relevant tax treaties.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006 (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion"), the Chinese government may impose a tax on dividends payable by a Chinese company to a Hong Kong resident (including the natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable. If a Hong Kong resident directly holds 25% or more of the equity in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and other conditions are satisfied, the relevant tariff shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol on the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Fifth Protocol"), which became effective on December 6, 2019, provides that such provisions shall not apply to any arrangements or transactions entered into with the primary purpose of obtaining such tax benefits.

Corporate Investors

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) last amended by the NPCSC and effective as of December 29, 2018 (the "Enterprise Income Tax Law") and the Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China last amended by the State Council on December 6, 2024 and effective as of January 20, 2025, non-resident enterprises which do not have establishments or offices in China, or even if they have a branch or offices in China but their China-sourced income is not effectively connected with their establishments or offices, shall pay a 10% enterprise income tax on their China-sourced income (including income from dividends and bonus paid by Chinese resident enterprises whose shares are issued and listed in Hong Kong). The withholding tax may be waived under the applicable treaty to avoid double taxation. The income tax payable by a non-resident enterprise shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid to the non-resident enterprise on each payment or due payment.

Pursuant to the Notice of the State Administration of Taxation on Issues Relating to Withholding and Payment of Enterprise Income Tax on Dividends Distributed by Chinese Resident Enterprises to Overseas H-share Non-resident Enterprises Shareholders (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued and implemented by the State Administration of Taxation (the "SAT") on November 6, 2008, when distributing dividends for the year 2008 and the subsequent years to overseas H -share non-resident enterprises shareholders, PRC resident enterprises shall be subject to a uniform 10% tax rate for withholding and paying enterprise income tax on behalf of their shareholders. According to the Official Reply of the State Administration of Taxation on Imposition of Enterprise Income Tax on B-share Dividends of Non-resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) issued and implemented by the SAT on July 24, 2009,

any Chinese resident enterprise that publicly lists on overseas stock exchange shall withhold and pay enterprise income tax at a uniform rate of 10% when distributing dividends for 2008 and subsequent years to non-resident enterprises shareholders. The above tax rates may be further changed in accordance with tax treaties or agreements entered into between the PRC and the relevant jurisdictions, as applicable.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the Chinese government may impose a tax on dividends payable by a Chinese company to a Hong Kong resident (including the natural person and legal entity), but such tax rate shall not exceed 10% of the total dividends payable by the Chinese company. If the Hong Kong resident directly holds 25% or more of the equity in the Chinese company, the tax rate shall not exceed 5% of the total dividends payable. The Fifth Protocol provides that such provision shall not apply to any arrangement or transaction entered into with the primary purpose of obtaining such tax benefits.

Tax Treaties

Non-Chinese resident investors residing in countries that have entered into treaties with China for the avoidance of double taxation may be entitled to the relief from withholding tax on dividends received from Chinese companies. China has entered into arrangements on the avoidance of double taxation with a number of countries and regions, including but not limited to Hong Kong, Macao, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-Chinese resident enterprises entitled to preferential tax rates under the relevant income tax treaties or arrangements shall apply to the Chinese tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment shall be approved by the Chinese tax authorities.

Taxation Related to Share Transfer

Income tax

Individual Investors

Individual Chinese residents shall pay individual income tax at a rate of 20% on the income derived from the transfer of equity of Chinese resident enterprises in accordance with the Individual Income Tax Law and its implementation regulations. Pursuant to the Notice (Cai Shui Zi [1998] No. 61) jointly issued and implemented by the Ministry of Finance ("MOF") and the SAT on March 30, 1998, as of January 1, 1997, the income from the transfer of shares in listed companies by individuals continues to be subject to temporary exemption of individual income tax. The SAT did not explicitly specify in the newly amended Enterprise Income Tax Law and its implementation regulations whether the individual income tax on gains from the transfer of shares held by a listed company shall continue to be exempted.

Corporate Investors

In accordance with the Enterprise Income Tax Law and its implementing regulations, non-PRC resident enterprises that have no establishments or offices in China, or that have establishments or offices but the incomes obtained by the enterprises have no actual connection with the establishments or offices, shall pay enterprise income tax in relation to their incomes generated in China (including gains from the sale of shares held by a PRC resident enterprise) at the tax rate of 10%. The income tax

payable by non-PRC resident enterprises shall be withheld at the source, with the payer as the withholding agent. The tax payable shall be withheld from each payment or amount due at the time of payment or when the payment becomes due. The withholding tax can be reduced or exempted pursuant to the applicable tax treaties or agreements.

Tax Policies of Shenzhen-Hong Kong Stock Connect

On November 5, 2016, the MOF, the SAT and the CSRC jointly issued the Notice on Tax Policy of the Pilot Program for the Shenzhen-Hong Kong Stock Connect Scheme (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2016] No. 127). According to this document, income from transfer price differences and dividends and bonus income obtained by PRC corporate investors through the Shenzhen-Hong Kong Stock Connect when investing in stocks listed on the Hong Kong Stock Exchange shall be included in their total income, and shall be subject to enterprise income tax in accordance with the law. Specifically, gains from dividends and bonus derived by a Chinese resident enterprise for holding H shares for at least 12 consecutive months will be exempted from enterprise income tax in accordance with the law. H-share companies are not required to withhold and pay taxes on dividends and bonus income paid to Chinese corporate investors on their behalf. The taxes payable shall be declared and paid by the relevant corporate.

For dividends received by PRC individual investors investing in H-shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect, the H-share company shall apply to China Securities Depository & Clearing Corporation Limited ("CSDC"), which shall provide the H-share company with the roster of PRC individual investors, and then the H-share company shall withhold and pay the individual income tax according to the tax rate of 20% on their behalf. Individual investors who have paid withholding tax outside China may apply to the competent tax authority of CSDC for a tax credit by presenting valid tax reduction certificates. Dividends and bonus income derived from shares listed on the Hong Kong Stock Exchange that are invested in through the Shenzhen-Hong Kong Stock Connect by Chinese securities investment funds shall be subject to individual income tax in accordance with the aforementioned regulations.

Stamp Duty

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

Estate Duty

As of the Latest Practicable Date, no estate duty has been introduced in the PRC.

Major Taxes of the Company in China

Enterprise Income Tax

According to the Enterprise Income Tax Law and its implementation regulations, enterprises established within China, or those established outside China but with their place of effective management within China, are deemed "resident enterprises". Resident enterprises shall pay enterprise income tax on their income derived both within and outside China. A "non-resident enterprise" refers

to an enterprise established under the laws of a foreign country (or region) with its place of effective management outside China, but which either has an establishment or place of business within China, or does not have an establishment or place of business within China but derives income from sources within China. The enterprise income tax rate is 25%. High-tech enterprises that require key support from the state shall be subject to a reduced enterprise income tax rate of 15%.

According to the Announcement on Policies of Enterprise Income Tax for Promoting High-Quality Development of the Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》) (Announcement No. 45 of 2020 by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, and the Ministry of Industry and Information Technology) issued by the Ministry of Finance, the State Taxation Administration, the Development and Reform Commission, and the Ministry of Industry and Information Technology on December 11, 2020 and implemented on January 1, 2020, key integrated circuit design enterprises and software enterprises encouraged by the state shall be exempt from enterprise income tax for the first five years starting from the year they become profitable, and shall be subject to a reduced enterprise income tax rate of 10% for subsequent years.

Value-Added Tax

Pursuant to the Interim Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》), which were promulgated by the State Council on December 13, 1993 and implemented on January 1, 1994, last amended and effective as of November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例實施細則》), which were issued by the Ministry of Finance and the State Taxation Administration on December 25, 1993 and implemented on the same day, last amended on October 28, 2011 and effective as of November 1, 2011, entities and individuals that engage in the sale of goods, the provision of processing, repair, or replacement services, and the importation of goods within China's territory shall be a VAT taxpayer and liable for VAT payment. Taxpayers selling or importing goods, as well as providing processing, repair, and maintenance services within China, shall be subject to a 17% tax rate, except where otherwise specified. In certain specific circumstances, the rates shall be 11%, 6%, or 0%.

Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on Adjusting Value-Added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was jointly issued by the Ministry of Finance and the State Taxation Administration on April 4, 2018 and effective as of May 1, 2018, for taxpayers engaged in VAT-taxable transactions or importing goods that were previously subject to 17% or 11% tax rates, the applicable rates have been adjusted to 16% and 10% respectively.

Pursuant to the Announcement on Policies Concerning the Deepening of Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) jointly issued by the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on March 20, 2019 and effective as of April 1, 2019, for taxpayers engaged in VAT-taxable transactions or importing goods that were previously subject to 16% or 10% tax rates, the applicable rates have been adjusted to 13% and 9% respectively.

According to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) promulgated by the Standing Committee of the National People's Congress on

December 25, 2024, and effective as of January 1, 2026 (the "Provisional Regulations of the People's Republic of China on Value-Added Tax" shall be repealed simultaneously), entities and individuals (including individual industrial and commercial households) engaged in the sale of goods, services, intangible assets, and real estate within China, as well as the importation of goods, shall be taxpayers of value-added tax and shall pay value-added tax in accordance with the provisions of this Law. Taxpayers selling goods, providing processing, repair, and maintenance services, leasing tangible movable property, as well as importing goods, shall be subject to a 13% tax rate, except where otherwise specified. In certain specific circumstances, the tax rate may be 9%, 6%, or 0%.

Foreign Exchange Administration

Renminbi ("RMB"), the legal tender of China, is subject to foreign exchange administration and cannot be freely convertible into foreign currencies. The State Administration of Foreign Exchange, authorized by the People's Bank of China, is responsible for the administration of all matters related to foreign exchange, including the implementation of applicable foreign exchange administration regulations.

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended and implemented on August 5, 2008, domestic institutions and individuals making direct investments abroad or engaging in the issuance and trading of overseas securities and derivative products shall register in accordance with the provisions of the foreign exchange administrative department of the State Council.

According to the Circular on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing (關於境外上市外匯管理有關問題的通知), which was promulgated by SAFE on December 26, 2014 and came into effect on June 1, 2020, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the State Administration of Foreign Exchange of the place where it is incorporated. The funds raised by domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the use of funds shall be consistent with those as set out in the public disclosure documents such as the document or corporate bond issuance document, circulars to shareholders and resolutions of the board of directors or shareholders' meeting.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Administrative Policies over Foreign Exchange Settlement under the 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》) issued and implemented by the SAFE on June 9, 2016, the relevant policies have made it clear that domestic institutions may settle their foreign exchange incomes under the capital account (including foreign exchange capital, foreign debt funds and funds transferred from overseas listing) based on discretionary settlement according to the actual business operation needs of domestic institutions. Where existing regulations impose restrictive provisions on the conversion of foreign exchange income under the capital account by domestic institutions, such provisions shall prevail.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (國家外匯管理局關于優化外匯管理支持涉外業務發展的通知) issued by the SAFE on April 10, 2020 and became effective on June 1, 2020, enterprises meeting the prescribed requirements are allowed to use income under the capital accounts as capital funds, external debts and overseas listings for domestic payment

without providing banks with authenticity certification materials in detail in advance, to the extent that funds are used for true and law-compliant purposes and such enterprises comply with the in-force administrative provisions on the use of income under the capital accounts.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued by the SAFE on December 4, 2023, foreign exchange funds raised by domestic enterprises through overseas listings may be directly remitted into capital account settlement accounts. Funds held in such accounts may be freely converted and utilized.

According to the Notice of the State Administration of Foreign Exchange on Issuing the Guidelines for Foreign Exchange Operations under the Capital Account (2024 Edition) (《國家外 匯管理局關於印發〈資本項目外匯業務指引（2024年版）〉的通知》) (Hui Fa [2024] No. 12), promulgated and implemented by the State Administration of Foreign Exchange on April 3, 2024 and implemented on May 6, 2024, for domestic companies listed overseas, the raised funds shall in principle be repatriated to China in a timely manner in either Renminbi or foreign currency. The use of such funds shall be consistent with the content of the public disclosure documents such as this Document, corporate bonds issuance documents, circulars to shareholders and resolutions of board of directors and shareholders' meetings. Domestic companies utilizing funds raised overseas for overseas direct investment, overseas securities investment, or cross-border lending must comply with the relevant foreign exchange regulations.