PRC TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. This summary is based on PRC tax laws in effect as of the Latest Practicable Date and does not make any predictions on, or comments or advice regarding, changes or adjustments to the relevant laws or policies. This summary does not purport to address all potential taxation consequences of **[REDACTED]** in the H Shares, and does not take into account the specific circumstances of any particular **[REDACTED]**, some of which may be subject to special rules. This section of this document does not cover any other aspects of PRC taxation other than income taxation, stamp taxation and estate taxation. Prospective **[REDACTED]** are urged to consult their tax advisors regarding the PRC and other tax consequences of **[REDACTED]** in H Shares.

TAXATION ON DIVIDENDS

1. Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) (effective from January 1, 2019), non-resident individuals are subject to individual income tax at a rate of 20% on income derived from within PRC, including "interest, dividends and bonuses", unless exempted by the competent authority or reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關于對所得避免雙重徵税和防止偷漏税的安排》) effective on December 8, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關于對所得避免雙重徵税和防止偷漏税的安排>第五議定書》) effective on December 6, 2019 states that such provisions shall not apply to those arrangements or transactions made for the primary purpose of gaining such tax benefit, unless it can be established that the grant of the benefit in such circumstances is in accordance with the purpose and objective of the relevant provisions of the Arrangement.

According to the Notice of the SAT on Issues Concerning the Administration of Individual Income Tax Collection Following the Annulment of Document Guo Shui Fa [1993] No. 045 (《國家税務總局關于國税發[1993]045號文件廢止後有關個人所得税征管問題的通知》) (Guo Shui Han [2011] No. 348) effective on June 28, 2011, as for the income from dividends and bonuses obtained by foreign resident individual shareholders from the shares issued in Hong Kong by domestic non-foreign invested enterprises, the individual income tax shall be withheld by withholding agents according to the item of "income from interest, dividends and bonuses". For the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. Where a domestic non-foreign invested enterprise issues shares in Hong Kong, its foreign resident individual shareholders can enjoy relevant tax incentives in accordance with tax treaties signed between their countries of residence and China as well as the provisions of tax arrangements between Mainland and Hong Kong (Macau). If the individuals receiving dividends and bonuses are residents from countries under tax agreements to be entitled to tax rates lower than 10%, the withholding agent shall file applications to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax competent authorities, over-withheld tax amounts will be refunded. If the individuals are residents from countries under tax agreements to be entitled to tax rates higher than 10% but lower than 20%, the withholding agent shall withhold the individual income tax at the agreed effective tax rate when distributing dividends and bonuses, and are not obligated to file an application. If the individuals receiving dividends are residents from countries without tax treaties with China or are under other situations, the withholding agent shall withhold the individual income tax at a tax rate of 20% when distributing dividends and bonuses.

2. Enterprise Investors

Under the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) and Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), the standard enterprise income tax rate for PRC operating entities is 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received by PRC resident enterprises issuing shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

According to the Notice Regarding Questions on Withholding Enterprise Income tax on the Dividends Paid by PRC Resident Enterprises to Non-resident Enterprise Shareholders of H Shares (《關于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》) effective on November 6, 2008, PRC resident enterprises shall pay an enterprise income tax at the uniform rate of 10% when they distribute dividends to non-resident enterprise shareholders of H shares for the year of 2008 and afterwards.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排》), the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) effective on December 6, 2019 states that such provisions shall not apply to those arrangements or transactions made for the primary purpose of gaining such tax benefit, unless it can be established that the grant of the benefit in such circumstances is in accordance with the purpose and objective of the relevant provisions of the Arrangement.

Taxation on Share Transfer

1. Individual Investors

According to Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the gains realized from the transfer of equity interests in PRC resident enterprise is subject to individual income tax rate of 20%. Pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares issued by the MOF and the State Administration of Taxation (《財政部 國家稅務總局關于個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No.), from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The Individual Income Tax Law and its implementation rules have not explicitly stated whether individuals will continue to be exempted from individual income tax on income derived from the transfer of listed shares.

In practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares of the Company.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排》) and the Fourth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排>第四議定書》) (effective on December 29, 2015), gains derived by Hong Kong residents (including natural persons and legal entities) from the transfer of shares of a resident company of the other region listed on a recognized stock exchange shall be subject to taxation only in the region where the transferor is a resident. Such transfers shall only be made where the shares are purchased and sold on the same stock exchange.

2. Enterprise Investors

As described in the section "Taxation on Dividends - Enterprise Investors", a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including gains from the transfer of shares issued by Chinese resident enterprises in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排》) and the Fourth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關于對所得避免雙重徵稅和防止偷漏稅的安排>第四議定書》) apply to Hong Kong residents (including natural persons and legal entities). Please refer to "Taxation on Share Transfer - Individual Investors".

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花稅法》) (effective on July 1, 2022), the PRC stamp duty applies to entities and individuals that conclude taxable vouchers or conduct securities trading within the territory of the PRC, and the entities and individuals outside the territory of the PRC that conclude taxable vouchers that are used inside China. Therefore, the provisions governing stamp duty on the transfer of shares in PRC listed companies do not apply to non-PRC investors transferring or disposing of H-shares outside the territory of the PRC.

Estate Duty

The PRC currently does not impose any estate duty.

FOREIGN EXCHANGE CONTROL OF THE PRC

Please refer to "Regulatory Overview - Other Regulatory Requirements - Foreign Exchange Control."