1. TAXATION ON HOLDERS OF SECURITIES

The taxation of income and capital gains of H Shareholders is subject to the laws and practices of the PRC and of jurisdictions in which H Shareholders are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on currently effective laws and practices, and does not constitute any prediction of changes or adjustments to relevant laws or policies or any comments or suggestions thereunder. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, investors should consult their own tax advisor regarding the tax consequences of an investment in H Shares. The discussion herein is based on the laws and related interpretations in effect as at the date of execution of this document, all of which are subject to change or adjustment and may differ from our past practices.

Mainland China Tax

Dividend Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was last amended on August 31, 2018, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was last amended on December 18, 2018 and implemented on January 1, 2019, dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to an individual income tax of 20%, unless specifically exempted by the tax authority of the State Council or reduced by an applicable tax treaty.

Meanwhile, pursuant to the Notice on Issues Concerning the Implementation of Differential Individual Income Tax Policy on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) (財稅[2015]101號) issued by the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission on September 7, 2015 and effective on September 8, 2015, where an individual acquires the stocks of a listed company in a public offering of the company or from the transfer market, if the stock holding period is more than one year, the income from dividends and bonuses shall be exempted from personal income tax for the time being. Where an individual acquires the stocks of a listed company in a public offering of the company or from the transfer market, if the stock holding period is one month or less, the income from dividends and bonuses shall be included into the taxable incomes in full amount; if the stock holding period is more than one month and up to one year (inclusive), only 50% of the income from dividends and bonuses shall be included into the taxable incomes of the individual. All such income shall be subject to individual income tax at a unit rate of 20%.

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》), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the gross amount of dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company, such tax shall not exceed 5% of the gross amount of dividends payable by that PRC company.

Pursuant to the Notice of the State Taxation Administration on Issues Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), issued by the State Taxation Administration on June 28, 2011 and effective on the same date, PRC domestic non-foreign-invested enterprises distributing dividends in respect of shares listed in Hong Kong may (i) withhold individual income tax at a rate of 10% in general; (ii) individual holders of H Shares receiving dividends who are citizens of countries that have entered into tax treaties with the PRC providing for a withholding rate lower than 10% may apply through the Hong Kong listed company for lower preferential tax treatments. Upon approval by the competent tax authority, any excess tax withheld will be refunded; (iii) for individual holders of H Shares receiving dividends who are citizens of countries that have entered into tax treaties with the PRC providing for a withholding rate higher than 10% but lower than 20%, the listed company shall withhold individual income tax at the agreed rate under such treaties, and no further application is required; and (iv) for individual holders of H Shares receiving dividends who are citizens of countries that have not entered into tax treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the individual income tax at a rate of 20%. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》), which was issued by the Ministry of Finance and the State Taxation Administration on May 13, 1994 and came into effect on the same date, the incomes gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempt from individual income tax for the time being.

The Fifth Protocol to 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 of the State Taxation Administration (《國家稅務總局關於<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>第五議定書》) (the "**Fifth Protocol**"), issued by the State Taxation Administration and effective on December 6, 2019, states that such provisions shall not apply to any arrangements or transactions, the main purpose of which includes to gain such tax benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Arrangement.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), which was last amended on December 29, 2018 and became effective on the same date, and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was last amended on December 6, 2024 and became effective on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or premise in the PRC or it has an establishment or premise in the PRC but its PRC-sourced income has no connection with such establishment or premise. The aforesaid income tax may be reduced pursuant to applicable treaties to avoid double taxation. Such withholding tax payable for non-resident enterprises is deducted at source, where the payers of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular of the State Taxation Administration on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to H-Share Holders Who Are Overseas Non-resident Enterprises (《國家稅務總局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), which was issued by the State Taxation Administration on November 6, 2008 and became effective on the same date, further clarified that a PRC-resident enterprise must withhold enterprise income tax at a flat rate of 10% on the dividends of 2008 and onwards that it distributes to H-share holders who are non-PRC resident enterprises. In addition, the Response of the State Taxation Administration to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《國家稅務總局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), which was issued by the State Taxation Administration and came into effect on July 24, 2009, further provides that any PRC-resident enterprise that is listed on RPC and overseas stock exchanges must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders by issuing shares (A shares, B shares, and overseas shares). Such tax rate may be further amended pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable.

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》), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the gross amount of dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company, such tax shall not exceed 5% of the gross amount of dividends payable by that PRC company.

The Fifth Protocol to 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>第五議定書》), which became effective on December 6, 2019, clarifies that relevant treaty benefits shall not apply to arrangements or transactions, the main purpose of which includes to gain such benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Arrangement.

Tax Treaties

Non-PRC resident investors residing in jurisdictions that have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC has currently established double taxation avoidance agreements/arrangements with numerous countries and regions. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Income Tax

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), the gains realized from the transfer of personal assets are subject to 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 (《關於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. 61) jointly issued by the Ministry of Finance and the State Taxation Administration on March 30, 1998 and effective on the same date, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax.

However, on December 31, 2009, the Ministry of Finance, the State Taxation Administration and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui Zi [2009] No. 167), with effect from January 1, 2010, which states that individuals' income from transferring at Shanghai Stock Exchange or Shenzhen Stock Exchange the listed shares acquired from the public offerings or the transfer market shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the

Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70) jointly issued by the above departments on November 10, 2010 and effective on the same date.

As of the execution date of this document, no provision has expressly provided that individual income tax shall be collected from non-PRC resident individual shareholders on the sale of shares of PRC resident enterprises listed on overseas stock exchanges (e.g. Hong Kong Stock Exchange).

Enterprise Investors

In accordance with the EIT Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was most recently amended on December 6, 2024 and became effective on January 20, 2025, a non-resident enterprise is generally subject to enterprise income tax at a flat rate of 10% on PRC-sourced income, if such non-resident enterprise does not have an establishment or premise in the PRC or it has an establishment or premise in the PRC but its PRC-sourced income has no connection with such establishment or premise. Such income tax payable for non-resident enterprises is withheld 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. The tax rate is subject to reduction under any special arrangements or applicable treaties between China and the jurisdiction where the non-resident enterprise domiciles.

Stamp Duty

Pursuant to the Stamp Tax Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and implemented on July 1, 2022, Chinese stamp duty is applicable to entities and individuals who conclude taxable vouchers or conduct securities transactions within the territory of China, as well as to entities and individuals who conclude taxable vouchers outside China for use within the territory of China. Consequently, the Chinese stamp duty on the transfer of shares of a Chinese listed company does not apply to non-Chinese investors who purchase or sell H-shares outside the territory of China.

Inheritance Tax

As of the execution date of this document, no inheritance tax is levied in China under Chinese law.

Tax Policies for Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On October 31, 2014, and November 5, 2016, the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission jointly issued the Notice on Tax Policies for the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) and the Notice on Tax Policies for the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127). According to these notices, for Chinese enterprise investors, income from the transfer price difference and dividends or bonus shares on stocks listed on the Hong Kong Stock Exchange, obtained through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, shall be included in their total revenue and subject to Enterprise Income Tax in accordance with the law. Among these, dividend and bonus income received by Chinese resident enterprises from holding H-shares for 12 consecutive months is exempt from Enterprise Income Tax by law. H-share companies are not required to withhold and remit taxes on dividend and bonus income distributed to Chinese enterprise investors; the payable tax shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by Chinese individual investors through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in H shares listed on the Hong Kong Stock Exchange, the H-share company shall submit applications to China Securities Depository and Clearing Corporation Limited ("**CSDC**"). CSDC will then provide the H-share company with a register of Chinese individual investors. The H-share company is required to withhold and remit individual income tax on behalf of these investors at a rate of 20%. If individual investors have already had withholding tax deducted outside China, they may apply to the competent taxation authorities of the CSDC for tax credit upon the strength of valid tax withholding vouchers. For dividends and bonuses received by mainland securities investment funds through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in stocks listed on the Hong Kong Stock Exchange, individual income tax shall be calculated and levied in accordance with the aforementioned provisions.

On December 4, 2019, the Ministry of Finance ("**MOF**"), the State Taxation Administration, and the China Securities Regulatory Commission jointly issued the Announcement on the Continued Implementation of the Individual Income Tax Policies Related to the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Mechanisms and the Mutual Recognition of Funds between the Mainland and Hong Kong (MOF Announcement No. 93 of 2029), which stipulates that from December 5, 2019 to December 31, 2022, the income from transfer price difference that a Chinese individual investor obtains by investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and by trading in Hong Kong fund shares through mutual recognition of funds will continue to be temporarily exempted from individual income tax.

According to the Announcement on the Extension of the Individual Income Tax Policies Related to the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Mechanisms and the Mutual Recognition of Funds between the Mainland and Hong Kong (MOF Announcement No. 23 of 2023), jointly issued by the MOF, the State Taxation Administration, and the China Securities Regulatory Commission on August 21, 2023, the policy for exemption of individual income tax has been further extended until December 31, 2027.

MAJOR TAXES ON THE COMPANY IN THE PRC

For details, please refer to the section titled "Regulatory Overview" of this document.

2. Foreign Exchange Policy of the PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange (the "**SAFE**"), with the authorization of the People's Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996 and effective as of April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administration agencies, while capital items are subject to the approval of foreign exchange administration agencies. According to the Regulations on Foreign Exchange Control of the People's Republic of China (《中華人民共和國外匯管理條例》) (revised on January 14, 1997 and August 1, 2008) and the Provisions on the Administration of Settlement, Sale and Payment of Foreign Exchange (promulgated by the People's Bank of China on June 20, 1996 and effective as of July 1, 1996), payments under current account items (such as profit distributions, foreign exchange transactions related to trade and services, etc.) may be made in foreign currency after complying with certain procedural requirements without prior approval from the SAFE. By contrast, approval from or registration with relevant government authorities or designated banks is required where Renminbi ("**RMB**") is to be converted into foreign currency and remitted out of the PRC to pay capital account items such as the repayment of foreign currency denominated loans, direct investment overseas and investments in securities or derivative products outside of the PRC.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the People's Bank of China on July 21, 2005 and effective as of the same date, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The People's Bank of China would publish the closing price of the exchange rate of the Renminbi against the U.S. dollar and other currencies in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

The Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50) promulgated by the State Council on October 23, 2014 and effective as of the same date, canceled the requirement for approval by the SAFE and its branches over matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54) issued by the SAFE on December 26, 2014, domestic companies shall register their overseas listing with the local branches of the SAFE in 15 working days after completion of the overseas listing. The funds raised by the domestic companies through overseas listing may be repatriated to the PRC or deposited overseas, provided that the intended use of the funds shall be consistent with the contents of the document and other publicly disclosed documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015, and revised on December 30, 2019, two of the administrative examination and approval items, being the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment, have been canceled; banks now conduct the examination and grant approval directly. The SAFE and its branches implement indirect supervision over foreign exchange registration of direct investment via the banks.

On March 30, 2015, the SAFE issued the Circular of the State Administration of Foreign Exchange Concerning Reform of the Administrative Approaches to the Settlement of Foreign Currency 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》) ("**SAFE Circular 19**"), which took effect on June 1, 2015 and was revised in 2019. According to Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement (the "**Discretional Foreign Exchange Settlement**"). Discretional Foreign Exchange Settlement means that the foreign exchange capital in the capital account (including foreign exchange capital, foreign loans and funds withdrawn from the proceeds of overseas listings) that has been confirmed for Discretional Foreign Exchange Settlement through relevant policies can be settled at banks according to the actual operational needs of domestic institutions. The proportion of foreign exchange capital subject to discretionary settlement is tentatively set at 100%. The RMB funds obtained from discretionary settlement of foreign exchange capital shall be placed in a pending-payment settlement account for administration. If a foreign invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

According to the Notice of the State Administration of Foreign Exchange on Revolutionizing and Regulating the Policies on Administration of 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》) (Hui Fa [2016] No. 16) issued by the SAFE on June 9, 2016 and effective as of the same date, it is expressly provided that foreign currency earnings in capital account eligible for discretionary settlement (including foreign exchange capital, foreign-debt proceeds, and funds repatriated from overseas listings) may be settled at banks according to the specific needs of domestic institutions. The tentative percentage of discretionary settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustments by the SAFE in accordance with international revenue and expenditure situations.

The Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) promulgated by the SAFE on January 26, 2017 and effective as of the same date further expands the scope of settlement for domestic foreign exchange loans, allows settlement for domestic foreign exchange loans backed by merchandise trade or export background, allows repatriation of funds under domestic guaranteed foreign loans, allows settlement for foreign-exchange accounts opened by overseas institutions within pilot free-trade zones, and adopts full-coverage administration of overseas lending in both RMB and foreign currencies; where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

The Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) (Hui fa [2019] No. 28) promulgated by the SAFE on October 23, 2019 and effective as of the same date, canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (SAFE Circular No. 8) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their income under capital accounts such as capital, foreign debts and overseas listing, with no need to provide the banks with the evidentiary materials concerning authenticity of such payment for each transaction in advance, provided that the use of funds is genuine and complies with the current rules governing the use of capital-account receipts.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment《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》(Hui Fa [2023] No. 28) (promulgated and implemented by the SAFE on December 4, 2023), domestic equity transferors (including institutions and individuals) may directly remit the consideration in foreign currency for equity transfers received from domestic entities, as well as the foreign exchange funds raised by domestic enterprises through overseas listings, into capital account settlement accounts. Funds in capital account settlement accounts may be converted and used at the account holder's discretion.