TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of H shares are subject to the laws and practices of the PRC and of the jurisdictions in which holders of H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, has not taken into account the possible change or amendment to the relevant laws or policies, and does not constitute any opinion or advice. This Appendix does not deal with all possible tax consequences relating to an **[REDACTED]** in the H shares, nor does it take into account the specific circumstances of any particular **[REDACTED]**, some of which may be subject to special regulation. Accordingly, **[REDACTED]** should consult their own tax adviser regarding the tax consequences of an **[REDACTED]** in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This Appendix does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. **[REDACTED]** are advised to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

The PRC Taxation

Taxation on Dividends

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》) (the "**IIT Law**") issued by the SCNPC on 10 September 1980, lastly amended on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules 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》) issued by the State Council on 28 January 1994, lastly amended on 18 December 2018 and effective on 1 January 2019, interest, dividends and bonuses, as personal income, shall be subject to individual income tax at a proportional tax rate of 20%. For a foreign natural person who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax agreements.

Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《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》) jointly issued by the MOF, the SAT and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the **[REDACTED]** and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the **[REDACTED]** and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to 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 (《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 "**Arrangement**") signed on 21 August 2006 and implemented on 8 December 2006, the PRC 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 total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of total dividends payable by the PRC 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 issued by the State Administration of Taxation (《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 of the Arrangement**"), which came into effect on 6 December 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under this Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協議股息條款有關問題的通知》).

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (2018 Amendment) (《中華人民共和國企業所得稅法(2018修正)》) (the "**EIT Law**"), lastly amended and implemented by the SCNPC on 29 December 2018, and the Implementation Rules of 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實施條例》) (the "**Implementation Rules**"), issued by the State Council on 6 December 2007, lastly amended on 6 December 2024 and to be implemented on 20 January 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 a non-resident enterprise either does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but its PRC-sourced income is not effectively connected with that establishment or place of business, the aforesaid income tax payable by the non-resident enterprise shall be withheld at source. The payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due.

The Notice of the SAT on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which 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》) issued and implemented by the SAT on 6 November 2008 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 overseas non-resident enterprise shareholders of H Shares. The SAT Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprises from Holding Stocks 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》) issued and implemented by the SAT on 24 July 2009, further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (A shares, B shares and overseas shares) 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. Non-resident enterprise shareholders shall follow relevant provisions executed by tax agreements where they need to enjoy the treatment of tax agreements. Pursuant to the Arrangement, the PRC 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 total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協議股息條款有關問題的通知》).

Tax Treaties

Non-Chinese-resident investors who reside in a country that have already signed double taxation treaties with China or who reside in Hong Kong or Macau may enjoy withholding tax concessions on dividends received from Chinese companies. Currently, China has signed treaties/arrangements to avoid double taxation with a number of countries and regions, including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-Chinese-resident companies that are entitled to preferential tax rates in accordance with relevant income tax agreements or arrangements are required to apply to the Chinese tax authorities for the refund of withholding tax paid in excess of the agreed tax rate, and that the repayments are subject to approval by the Chinese tax authorities.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on 14 October 2019 and became effective on 1 January 2020, non-resident taxpayers are entitled to preferential treatment under the tax treaties through "self-determination, self-declaration and keeping and documenting relevant information for inspection". Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

Taxation on share transfer

VAT and Local Additional Tax

Pursuant to the Notice of Ministry of Finance and State Administration of Taxation on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》) ("**Circular 36**"), which was implemented on 1 May 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) became effective on 1 January 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the

PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "**Local Additional Tax**"), which shall be usually subject to 12% of the value-added tax, business tax and consumption tax actually paid (if any).

Income tax

Individual Investors

According to the IIT Law and Implementing Rules of the EIT Law, gains realised on the sale of equity interests in PRC resident enterprises are subject to the individual income tax at a rate of 20%.

Pursuant to the Circular of the MOF and SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《財政部、 國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued and effective on 30 March 1998 by the MOF and SAT, from 1 January 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. On 31 December 2009, the MOF, SAT and the CSRC jointly issued and implemented the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from 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》), which provides that individuals' income from individuals' transfer of shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant restricted shares as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from 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補充通知》) jointly issued and effective on 10 November 2010 by the aforesaid three authorities. As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementing regulations, a non-resident enterprise is generally subject to a 10% enterprise income tax on the income derived from the PRC (including the gain derived from the sale of equity interests in the PRC resident enterprise), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income has no actual connection with the above establishment or premises; in respect of the aforementioned income tax payable by the non-resident enterprise, the tax shall be withheld at source, with the payer as the withholding agent, and the tax shall be withheld by the withholding agent from the amount paid or due payable each time. The tax may be reduced or exempted under the relevant tax treaty or agreement for the avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the PRC promulgated by the SCNPC on 10 June 2021 and became effective on 1 July 2022, the PRC stamp duty is applicable to the 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 for use within the PRC. Therefore, the stamp duty levied on the transfer of shares of listed companies in the PRC does not apply to the purchase and disposal of H-shares outside the PRC by non-Chinese investors.

Estate Duty

As of the Latest Practicable Date, no estate duty has been levied by the PRC government under the PRC laws.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation rules, the enterprise income tax rate shall be 25%. Enterprises are classified into resident and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its incomes derived from both inside and outside China. The enterprise income tax rate shall be 25%. For a non-resident enterprise having offices or establishments inside China, it shall pay enterprise income tax on its incomes derived from China as well as on incomes that it earns outside China but which has real connection with the said offices or establishments. The enterprise income tax rate shall be 25%.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Relevant Tax and Fee Policies With Respect to Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (《財政部、國家稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) that was promulgated on 2 August 2023 and implemented on 1 January 2023, for small and micro-profit enterprises, the taxable income will be calculated at the reduced rate of 25% and the EIT shall be paid at the tax rate of 20%. The policy will continue to be implemented until 31 December 2027.

According to the Administrative Measures for Recognition of High and New-Technology Enterprises (《高新技術企業認定管理辦法》) that was promulgated by the Ministry of Science and Technology of the PRC, the MOF and the SAT on 14 April 2008, amended on 29 January 2016 and came into effect on 1 January 2016, high- and new-tech enterprises can apply for a preferential enterprise income tax rate of 15% in accordance with the EIT Law.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on VAT (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on 13 December 1993, last amended and implemented on 19 November 2017 and the Implementation Rules for the Provisional Regulations of the PRC on VAT (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on 15 December 1993, latest amended on 28 October 2011 and implemented on 1 November 2011, taxpayers in the PRC engaging in the sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovable and importation of goods in the PRC shall pay VAT. Unless otherwise specified, the tax rate is 17.0% for the sale of goods, services, leasing of tangible movable property or importation of goods.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT (《財政部、國家稅務總局關於調整增值稅稅率的通知》) that was promulgated by the MOF and the SAT on 4 April 2018 and came into effect on 1 May 2018, the applicable tax rate of VAT has been adjusted, for taxpayers engaging in taxable sales or importation of goods, the previously applicable VAT rates of 17.0% and 11.0% are adjusted to 16.0% and 10.0%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) that was promulgated by the MOF, the SAT and General Administration of Customs on 20 March 2019 and implemented on 1 April 2019, VAT rates on sale of goods and importation of goods were adjusted from 16% and 10% to 13% and 9%, respectively.

According to Circular 36, with the approval of the State Council, the state started to fully implement the pilot change from business tax to value-added tax on 1 May 2016. All taxpayers of business tax in construction industry, real estate industry, financial industry and living service industry have been included in the scope of the pilot and should pay value-added tax instead of business tax. According to the Implementation Measures for the Pilot Programme of Replacing Business Tax with VAT issued by the MOF and the SAT on 12 December 2013, and amended on 23 March 2016, 11 July 2017, and 20 March 2019, and implemented on 1 April 2019, the tax rates for taxpayers selling services, intangible assets, or real estate are 17%, 11%, 6%, and zero, respectively.

In accordance with the Announcement on the Policies on Reduction or Exemption of Value-added Tax for Small-scale VAT Taxpayers (《關於增值稅小規模納稅人減免增值稅政策的公告》) promulgated and implemented by the MOF and the SA T on 1 August 2023, small-scale VAT taxpayers with monthly sales of less than RMB100,000 (including this amount) will be exempted from VAT. The implementation period of the announcement is until 31 December 2027.

FOREIGN EXCHANGE

The lawful currency of the PRC is the Renminbi. The SAFE, under the authority of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the implementation of foreign exchange regulations.

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on 29 January 1996 and latest amended and implemented on 5 August 2008, payments of current account items, such as profit distributions, interest payments and trade and service related foreign exchange transactions, can be freely carried out in foreign currencies without prior approval from the State Administration of Foreign Exchange, by complying with certain procedural requirements. By contrast, prior approval or registration with the State Administration of Foreign Exchange or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

According to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on 20 June 1996 and implemented on 1 July 1996, it removes other restrictions on convertibility of foreign exchange under current items, while existing restrictions on foreign exchange transactions under capital account items were also maintained.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Notice Further Simplifying and Improving Foreign Exchange Administration Policies on 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》) issued by the SAFE on 13 February 2015 and implemented on 1 June 2015, banks shall, on behalf of the SAFE, directly examine and handle the foreign exchange registration for domestic direct investment and foreign exchange registration for overseas direct investment. The SAFE and its branches shall exercise indirect supervision over the foreign exchange registration of direct investment through banks.

According to the Decisions on Matters including Cancelling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated and implemented by the State Council on 23 October 2014, it was decided to cancel the approval requirements of SAFE and its branches on the transfer of overseas raised funds from overseas listings of foreign shares to onshore RMB accounts and foreign exchange settlement.

According to the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the "**Circular 21**"), which promulgated on 10 May 2013, became effective on 13 May 2013, amended on 10 October 2018 and partially abolished on 30 December 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Circular of SAFE on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《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 "**Circular 19**") promulgated on 30 March 2015 and latest amended and implemented on 23 March 2023 by the SAFE, allows foreign-invested enterprises to make equity investments by using RMB fund converted from foreign exchange capital. Pursuant to the Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprise. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments. In addition, Circular 19 and the Circular of SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《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 "**Circular 16**") promulgated on 9 June 2016 and latest amended and implemented on 4 December 2023 by the SAFE continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope or prohibited by national laws and regulations, investment and financing (except for security investment or guarantee products issued by banks), providing loans to non-affiliated enterprises (except where explicitly permitted by the business scope) or constructing or purchasing real estate not for self-use (except real estate enterprises). The Notice of the SAFE on Further Deepening Reforms and Facilitating 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 on 4 December 2023 by SAFE, which further updates Circular 16, provides that the use of capital funds of non-financial enterprises, foreign exchange income under foreign debt and RMB funds derived from foreign exchange settlement shall follow the principle of truthfulness and self-use, (i) shall not be used directly or indirectly for expenditures prohibited by national laws and regulations; (ii) unless otherwise expressly provided, it shall not be used directly or indirectly for investment in securities or other investment and wealth management (except for wealth management products and structured deposits with risk ratings of not higher than Level 2); (iii) shall not be used for the issuance of loans to non-affiliated enterprises (except for those expressly permitted in the scope of business and the four specific areas of China, namely, the Lingang New Area of China (Shanghai) Pilot Free Trade Zone, the Nansha New Area of Guangzhou in China (Guangdong) Pilot Free Trade Zone, the Yangpu Economic Development Zone of China (Hainan) Pilot Free Trade Port, and the Beilun District of Ningbo City, Zhejiang Province); (iv) shall not be used for the purchase of non-self-use residential properties (except for enterprises engaged in real estate development and operation and real estate leasing and operation).

The Notice of the SAFE on Further Facilitating Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) promulgated on 23 October 2019 and latest amended and implemented on 4 December 2023 by SAFE, removes the restrictions on domestic equity investment using capital funds by non-investment foreign-invested enterprises. The non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the Negative List (《負面清單》) are not violated and domestic invested projects are true and compliant.

According to the Circular of the State Administration of Foreign Exchange on Optimising Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《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》) promulgated and implemented by the SAFE on 10 April 2020, provided that the use of funds is genuine, compliant and in line with the existing regulations for the management of the use of income under capital accounts, eligible enterprises will be allowed to use the income under capital accounts such as capital funds, foreign debt and overseas listing for domestic payments without having to provide materials proving authenticity to the banks on a case-by-case basis beforehand. The handling bank shall follow the principle of prudential business development to manage and control relevant business risks, and conduct random checks on the facilitation of capital project income payment afterwards in accordance with relevant requirements.

According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of 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》) promulgated and implemented by the SAFE on 26 December 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic or deposited in overseas, but the use of the proceeds shall be consistent with the document documents or corporate bond offering documents, shareholders' circular, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents.

According to the Notice of the SAFE on Further Deepening Reforms and Facilitating 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》) promulgated and implemented by the SAFE on 4 December 2023. The notice cancelled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realisation of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conform to the current capital revenue use management regulations.