

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment 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 discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax (VAT), stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation In mainland China

Tax on Dividends

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 “IIT Law”), amended by the SCNPC 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》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. 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》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for more than one year, the income from dividends and bonuses shall be temporarily exempt from individual income tax. Where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for not more than one month, the income from dividends and bonuses shall be included in the taxable income in full amount; or if the individual holds the stocks for more than one month but not more than one year, the income from dividends and bonuses shall be temporarily included in the taxable income at the reduced rate of 50%. Individual income tax on the aforesaid income shall be calculated and collected at the uniform rate of 20%.

Pursuant to the Arrangement between the Mainland 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》) (the “Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”), executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland 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 (《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 Administration of Taxation and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

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Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the “Implementation Regulations of the EIT Law”), amended by the State Council on 6 December 2024 and effective on 20 January 2025, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong.

The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice 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 (《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 by the State Administration of Taxation and effective on 6 November 2008, where a Chinese resident enterprise pays dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax thereon at the uniform rate of 10%. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《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》) promulgated by the State Administration of Taxation and effective 24 July 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including 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. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ verification.

Tax related to equity transfer income

Individual Investors

Under the IIT Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realised on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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》), which was promulgated by the MOF and The State Administration of Taxation and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. Although the IIT Law and its implementation rules have not stated whether it will continue exempting individual income tax on income of individuals from transfer

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of listed shares, 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》) (the “Notice”) promulgated jointly by the MOF, the SAT and the CSRC on 31 December 2009 and implemented on the same day, the Notice of State Taxation Administration of the PRC on Issues Relating to Levying and Payment of Individual Income Tax on Income from Transfer of Moratorium Shares (《國家稅務總局關於限售股轉讓所得個人所得稅徵繳有關問題的通知》) promulgated by the State Taxation Administration of the PRC on 18 January 2010 and effective from 18 January 2010 and 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補充通知》) promulgated by the Ministry of Finance, the State Taxation Administration of the PRC and China Securities Regulatory Commission on 10 November 2010 and effective from 10 November 2010, states that individuals’ income from transfer of listed shares on certain domestic stock exchanges (including Shenzhen Stock Exchange) shall continue being exempting from individual income tax, except for the shares subject to sales restriction. As of the date of this Document, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. In practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Under the EIT Law and its implementation rules, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including gains derived from the disposal of shares in a PRC resident enterprise. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Stamp Duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) (the “Stamp Tax Law”), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the disposal of H Shares by non-mainland China investors outside of the mainland China is not subject to the requirements of the Stamp Tax Law.

Estate duty

According to PRC law, no estate duty is currently levied in the mainland China.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, within the PRC, enterprises, and other organisations which derive income (hereinafter referred to collectively as “enterprises”), shall be taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with provisions of this Law. The rate of enterprise income tax shall be 25%.

Enterprises are categorised into resident enterprises and non-resident enterprises. Where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China, but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay enterprise income tax on the portion of its income sourced from inside China. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the

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income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Meanwhile, any gains realised on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended by the State Council and became effective on 19 November 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) amended by the MOF on 28 October 2011 and effective on 1 November 2011, entities and individuals engaging, within the territory of the PRC, in the sale of goods, supply of labour services in processing, repairing and maintenance (hereinafter referred to as “labour services”), sale of services, intangible assets and immovable properties, and importation of goods are taxpayers of value-added tax (VAT) and shall be subject to VAT. VAT rate is set at 17 percent for the sale of goods, supply of labour services, leasing services of tangible movable property and importation of goods, unless otherwise specified in the aforesaid regulations.

According to Circular on Adjustment of VAT Rate (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No.32), promulgated by the MOF and the State Administration of Taxation on 4 April 2018, and became effective as of 1 May 2018, in the case of VAT taxable sales or goods import by taxpayer, the original tax rates of 17% and 11% shall be adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (2019 No.39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the tax rate of 16% applicable to the VAT taxable sale or import of goods by a general VAT taxpayer shall be adjusted to 13%; and the tax rate of 10% applicable thereto shall be adjusted to 9%.

On 25 December 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “VAT Law”), which became effective on 1 January 2026, and the Interim Regulations on Value-added Tax of the PRC has been abolished. Under the VAT Law, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of China are taxpayers of VAT, and shall pay VAT in accordance with this Law. Unless otherwise provided, the rate for the taxpayers’ sale of goods, processing, repair and replacement services, leasing services of tangible movable property, and the import of goods is 13%, and may be 9%, 6%, or 0% under certain specific circumstances.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

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

Pursuant to the Regulations of the People’s Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. The foreign exchange income under the current items may be reserved or sold to financial institutions operating the foreign exchange sale or settlement business. Before reserving the foreign exchange income under the capital items or selling it to any financial institution operating the foreign exchange sale or settlement business, the approval of the competent foreign exchange administrative organ shall be obtained, unless it is otherwise provided by the state.

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Pursuant 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》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Cancelling 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》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been cancelled.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (Issuance Date: 24 December 2025; Effective Date: 1 April 2026), domestic enterprises listed overseas shall apply for overseas listing registration within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment. In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to China in a timely manner. If such funds are retained overseas for conducting businesses including overseas direct investment, overseas securities investment, and overseas lending, the domestic enterprises shall obtain the approval or filing documents from the competent business authorities prior to the conclusion of the overseas listing issuance or the completion of the over-allotment, and shall comply with the relevant provisions on cross-border capital administration.

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》) issued on 13 February 2015 and came into effect on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment (hereinafter collectively referred to as “foreign exchange registration of direct investment”) pursuant to this Notice and Operating Guidelines for Foreign Exchange Business in Direct Investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《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 9 June 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement may be handled at banks based on the domestic institutions’ actual requirements for business operation. The proportion of discretionary settlement of domestic institutions’ foreign exchange receipts under the capital account is temporarily determined as 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.