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 into 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.

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, 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 THE PRC

Taxation of 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**"), which was promulgated by the SCNPC on September 10, 1980, latest amended on August 31, 2018 and implemented on January 1, 2019, and the Regulations for the 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》(the "**Implementation Rules on the IIT Law**"), which was latest amended by the State Council on December 18, 2018 and implemented on January 1, 2019, income from interest, dividends and bonuses shall be taxed at a flat rate of 20%. The taxable income amount for income from interest, dividends and bonuses shall be the amount of each income item. Moreover, according to the Notice of the Ministry of Finance of the PRC (the "**MOF**"), the State Taxation Administration of the PRC (the "**STA**") and the CSRC on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《財政部、國家稅務總局、證監會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》), which was issued by the MOF, the STA and the CSRC on September 7, 2015 and implemented on September 8, 2015, where an individual acquires stocks of a listed company from public offering or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempt from individual income tax; if the individual holds the stocks for one month or less, the income from dividends shall be fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends shall be taxable; the aforesaid income is subject to an individual income tax at a flat rate of 20%.

According to the Notice of the STA on Issues Concerning Individual Income Tax Administration after the Abolition of the Document 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》), which was issued by the STA on June 28, 2011 and implemented on the same date, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

According 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**"), which was promulgated by the National People's Congress on March 16, 2007, latest amended by the SCNPC on December 29, 2018 and implemented on the same date, and the Regulations for the Implementation 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》) (the "**Implementation Rules on the EIT Law**"), which was promulgated by the State Council on December 6, 2007, latest amended on December 6, 2024 and implemented on January 20, 2025, a non-PRC resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if such non-PRC resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. Such tax may be reduced or eliminated under applicable tax treaties or arrangements. 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 of the STA on the Issues Concerning Withholding Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise H Share Holders (《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》), which was issued by the STA on November 6, 2008 and implemented on the same date, a PRC resident enterprise must withhold enterprise income tax at a unified rate of 10% on dividends paid to overseas non-PRC resident enterprise holders of H Shares for 2008 and onwards. In addition, the Response to Issues 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》), which was issued by the STA on July 24, 2009 and implemented on the same date, further provides that any PRC-resident enterprise listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards distributed to non-resident enterprises. Such tax rate may be further modified pursuant to any tax treaty or agreement that China has concluded with another jurisdiction, where applicable.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006 and effective from December 8, 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, such tax shall not exceed 5% of the 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 for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<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》) signed on July 19, 2019 and effective from December 6, 2019 states that such provisions shall not apply to any arrangement or transaction if one of its principal purposes is to obtain such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments 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 resident companies. The PRC currently has entered into the avoidance of double taxation treaties or arrangements with a number of countries and regions, including but not limited to Hong Kong Special Administrative Region, Macao Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises eligible for preferential tax rates under relevant tax treaties or arrangements must apply to the PRC tax authorities for a refund of the enterprise income tax paid in excess of the treaty rate. Such refund applications are subject to approval by the PRC tax authorities.

According 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 October 14, 2019 and implemented on January 1, 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 of Capital Gains

Individual Investors

According to the IIT Law and the Implementation Rules on the IIT Law, individuals are subject to individual income tax at the rate of 20% on gains from the transfer of property, incidental income, or other sources of income, including gains realized from the sale of equity interests in PRC resident enterprises. According to the Circular of the MOF and the STA on Continuing Temporary Exemption From Individual Income Tax on the Income From Stocks Transfer (《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 by the MOF and the STA on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed enterprises continue to be exempted from individual income tax. As 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 sale of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the EIT Law and the Implementation Rules on the EIT Law, a non-PRC resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if such non-PRC resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Market Connect Mechanism (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), which was promulgated by the MOF, the STA and the CSRC on October 31, 2014 and implemented on November 17, 2014, for dividends and bonuses obtained by mainland individual investors from investments in H shares listed on The Stock Exchange of Hong Kong Ltd. (the "**HKSE**") through the Shanghai-Hong Kong Stock Connect, the H share company shall apply to China Securities Depository and Clearing Corporation Limited (the "**CSDC**") to get the register of mainland individual investors and withhold the individual income tax at a rate of 20%.

For mainland enterprise investors, income from dividends and bonuses of investment in stocks listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included into the total income and subject to the enterprise income tax. Income of mainland resident enterprises obtained from dividends and bonuses of H shares held for twelve consecutive months or more shall be exempted from enterprise income tax according to the law. When mainland enterprise investors declare and pay enterprise income taxes on their own, they may apply for tax credits for the income tax of dividends and bonuses withheld by non-H-share listed companies on the HKSE.

Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Market Connect Mechanism (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), which was promulgated by the MOF, the STA and the CSRC on November 5, 2016 and implemented on December 5, 2016, for dividends and bonuses obtained by mainland individual investors from investments in H shares listed on the HKSE through the Shenzhen-Hong Kong Stock Connect, H share company shall apply to CSDC to get the register of mainland individual investors and withhold the individual income tax at a rate of 20%.

For mainland enterprise investors, income from dividends and bonuses of investment in stocks listed on the HKSE through the Shenzhen-Hong Kong Stock Connect shall be included into the total income and subject to the enterprise income tax. Income of mainland resident enterprises obtained from dividends and bonuses of H shares held for twelve consecutive months or more shall be exempted from enterprise income tax according to the law. When mainland enterprise investors declare and pay enterprise income taxes on their own, they may apply for tax credits for the income tax of dividends and bonuses withheld by non-H-share listed companies on the HKSE.

Stamp duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on June 10, 2021 and implemented on July 1, 2022, the entities and individuals that conclude taxable certificates, or conduct securities transactions within the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law; where entities or individuals conclude taxable certificates outside the PRC which are used within the PRC, they shall pay stamp tax in accordance with the provisions of this law. Thus, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H shares by non-PRC investors outside of the PRC.

Estate Tax

Currently, no estate tax is imposed by the PRC Government.

PRC TAXATION OF THE COMPANY

Enterprise Income Tax

According to EIT Law, resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. A resident enterprise shall be subject to a tax rate of 25% of any income generated within or outside Chinese mainland. High and new technology enterprises supported by the State may enjoy a reduced tax rate of 15%.

Value-added Tax

According to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), which was promulgated by the SCNPC on December 25, 2024 and implemented on January 1, 2026, entities and individuals (including individual businesses) selling goods, services, intangible assets, real estate or importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Except for the export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, services of processing, repair or replacement, tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation services, postal services, basic telecommunications services, construction services, or immovable property leasing services, sale of immovable properties, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

FOREIGN EXCHANGE CONTROLS OF THE PRC

RMB is the lawful currency of the PRC, which is subject to foreign exchange controls and cannot be freely converted into foreign currencies. The State Administration of Foreign Exchange of the PRC (the "**SAFE**"), under the authorization of the PBOC, is responsible for the administration of all matters related to foreign exchange, including the enforcement of applicable foreign exchange control regulations.

Pursuant to the Administrative Regulations on Foreign Exchange 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, latest amended on August 5, 2008 and implemented on the same date, domestic institutions engaging in the issuance or trading of negotiable securities or derivative products shall complete registration in accordance with the requirements of the foreign exchange administrative department of the State Council. Foreign exchange administrative authorities have the right to exercise inspection and examination on foreign exchange settlement under capital accounts as well as the use of funds from and account changes in respect of such settlement. However, the international payments in foreign exchange and the transfer of foreign exchange under current account shall not be subject to any state control or restriction.

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 June 20, 1996 and implemented on July 1, 1996, the remaining restrictions on foreign exchange convertibility under current account items are removed, but the existing restrictions on foreign exchange transactions under capital account items are retained. Consequently, RMB is freely convertible for current account items (e.g., trade, services, and dividends), but remains subject to approval or registration requirements for capital account items (e.g., direct investment, loans, and overseas securities investment) with SAFE or its local branches.

According to the Announcement of the PBOC on Reforming the RMB Exchange Rate Regime (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC on July 21, 2005 and implemented on the same date, the PRC reformed its exchange rate regime to implement a managed floating exchange rate system based on market supply and demand with reference to a basket of currencies. As a result, the RMB exchange rate is no longer pegged solely to the U.S. dollar. After the close of trading on each business day, the PBOC would publish the closing price of the RMB against the U.S. dollar and other foreign currencies in the interbank foreign exchange market, which serves as the central parity rate for trading of such currencies against the RMB on the following business day.

According to the relevant PRC laws and regulations, PRC enterprises (including foreign-invested enterprises) may, for current account transactions, use foreign exchange to make payments directly from their foreign exchange accounts opened with designated foreign exchange banks upon presentation of valid transaction documents or evidence, without obtaining prior approval from the foreign exchange departments. Foreign-invested enterprises that need to pay profits to their shareholders in foreign currency, as well as PRC enterprises (such as the Company) that are required under relevant regulations to pay dividends to their shareholders in foreign currency, may do so pursuant to resolutions of their board of directors or shareholders' meetings. Payments may be made directly from the foreign exchange account or through designated foreign exchange banks for currency conversion and remittance.

According to the Decision of the State Council on Cancelling and Adjusting a Number 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》), which was issued by the State Council on October 23, 2014 and implemented on the same date, the approval requirements of the SAFE and its branches for the repatriation and settlement of funds raised from overseas-listed foreign-invested shares into domestic RMB accounts in the PRC have been canceled.

In addition, according to the Notice of the PBOC and the SAFE on Issues Concerning the Administration of Capital Management of Domestic Enterprises in Overseas Listing (《中國人民銀行 國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was issued by the PBOC and the SAFE on December 24, 2025 and implemented on April 1, 2026, a domestic enterprise listed overseas shall, within 30 working days from the first trading day of its overseas listing or upon completion of the over-allotment, submit the prescribed documents to a bank in its registered province or municipality separately listed on the State plan to apply for overseas listing registration. Proceeds from overseas listings shall, in principle, be repatriated to the PRC in a timely manner. If such proceeds are to be retained overseas for the purpose of overseas direct investment, overseas securities investment, or overseas lending, the enterprise shall obtain the approval or filing documents from the competent authorities prior to the completion of the overseas issuance and listing or the completion of the over-allotment, and shall comply with the relevant cross-border capital administration regulations.

According to the Notice of the SAFE on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to 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》), which was issued by the SAFE on February 13, 2015 and implemented on June 1, 2015, the administrative approval for foreign exchange registration under domestic and foreign direct investment was canceled. Such registration is currently handled directly by qualified banks, while the SAFE and its branches implement indirect supervision through banks to handle relevant foreign exchange business.

According to the Notice of the SAFE on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement (《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》), which was issued by the SAFE on June 9, 2016, latest amended on December

4, 2023 and implemented on the same date, domestic institutions are allowed to undertake foreign exchange settlement for capital account (including proceeds from overseas listings) in the banks according to their actual business needs. The ratio of the discretionary exchange rate of such receipts is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

In addition, the foreign exchange incomes under the capital account of a domestic institution shall be used under the principles of authenticity and for itself. Domestic institutions shall comply with the following provisions when using their foreign exchange income under the capital account and the RMB funds obtained from foreign exchange settlement:

- such incomes and funds shall not, directly or indirectly, be used for the expenditures beyond the business scope of domestic institutions or the expenditures prohibited by laws and regulations of the State;
- unless otherwise provided, such incomes and funds shall not, directly or indirectly, be used for investment in securities or other investments (excluding wealth management products with a risk rating of Level 2 or lower and structured deposits);
- such incomes and funds shall not be used for the granting of loans to non-affiliated enterprises, except where explicitly permitted under the business scope; and
- such incomes and funds shall not be used for purchase of real estate for purposes other than self-use (except by enterprises engaged in real estate development, operation, or leasing).

Moreover, domestic institutions applying for payment with the incomes under the capital account shall truthfully provide the bank with documents proving transaction authenticity relating to the use of funds. For a domestic institution that applies to settle all its capital account foreign exchange income for payment at one time, or to make payment using the entire RMB funds in its account pending foreign exchange settlement and payment on a lump-sum basis, if it fails to provide relevant documents proving transaction authenticity, the bank shall not process the foreign exchange settlement or payment for it.