TAXATION OF SECURITY HOLDERS

Holders of H Shares are required to pay income tax and capital gains tax in accordance with the laws and practices of the PRC and the jurisdictions where the holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant tax regulations is based on the current laws and practices, without considering the expected changes or amendments to the relevant laws or policies, and does not constitute any opinion or advice. The discussion does not cover all possible tax consequences relating to [**REDACTED**] in H Shares, nor does it take into account the specific circumstances of any particular [**REDACTED**], some of whom may be subject to special regulation. Therefore, you should consult your own tax consultant regarding the tax consequences of [**REDACTED**] in H Shares. The discussion is based on the laws and relevant interpretations effective as of the Latest Practicable Date, and such laws and interpretations may be subject to changes or adjustments and may have retroactive effect.

This discussion does not address any aspects of the PRC taxation other than income tax, capital gains tax, business tax/value-added tax (VAT), stamp duty and estate duty. Prospective [**REDACTED**] are urged to consult their financial advisors regarding the PRC and other tax consequences of holding and disposing of H Shares.

TAXATION IN MAINLAND CHINA

Taxation on Dividends

Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (中華人民共和國個人所得稅法) (the "IIT Law"), which was last amended by the SCNPC on August 31, 2018 and effective from January 1, 2019, and the Regulations for the Implementation of the IIT Law of the People's Republic of China (中華人民共和國個人所得稅法實施條例), which was amended by the State Council on December 18, 2018 and effective from January 1, 2019, dividends paid by PRC companies to individual investors are generally subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning the Differentiated IIT Policies 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 CSRC on September 7, 2015 and effective from September 8, 2015, for shares of listed companies obtained by individuals via [**REDACTED**] and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via [**REDACTED**] and market transfer and held for less than one month (inclusive), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (inclusive), 50% of the income from dividends and bonuses therefore shall temporarily be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax at a unified tax rate of 20%.

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) (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income") signed between the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006 and came into effect on December 8, 2006, the PRC government may impose tax on dividends paid by PRC companies to Hong Kong residents (including natural persons and legal persons), provided that such tax shall not exceed 10% of the total dividends payable. If a Hong Kong resident directly holds 25% or more of the equity of 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 of the State Taxation Administration on 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 (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"), which was issued by the State Taxation Administration and effective from December 6, 2019, stipulates that the above provisions do not apply to those arrangements or transactions, for which one of the main purposes is to obtain such tax benefits.

Enterprise Investors

According to 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) (the "EIT Law") issued by the SCNPC, last amended and came into effect on December 29, 2018, and the Regulations on the Implementation of the EIT 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) last amended by the State Council on December 6, 2024, and effective on January 20, 2025, a non-resident enterprise is subject to enterprise income tax at a rate of 10% with respect to its income derived from China, including dividends paid by Chinese resident enterprises that issue and list shares in Hong Kong, if the non-resident enterprise does not have an establishment or premise in the PRC, or has an establishment or premise in the PRC but the PRC-sourced income is not effectively connected with the establishment or premise in China. The above-mentioned income tax payable by non-resident enterprises is deducted at source, where the payer of the income shall withhold the income tax from the amount paid or payable each time when such payment is made or due. The relevant tax may be reduced or exempted in accordance with applicable regulations to avoid double taxation.

According to the Notice of the State Taxation Administration on Issues Concerning Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-resident Enterprise Shareholders of H-Shares (Guo Shui Han [2008] No. 897) (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(國稅函[2008]897號)) issued by the State Taxation Administration and effective from November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a flat rate of 10% on dividends paid to non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards.

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 PRC companies to Hong Kong residents (including natural persons and legal persons), provided that 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 the equity of 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 stipulates that the above provisions do not apply to those arrangements or transactions, for which one of the main purposes is to obtain such tax benefits.

Tax Treaties

If the jurisdiction where an investor resides has entered into treaties or adjustments for the avoidance of double taxation with the PRC, the investor may be entitled to a reduction or exemption of PRC enterprise income tax on dividends received from PRC enterprises. Non-PRC resident enterprises that are entitled to a preferential tax rate under relevant tax treaties or arrangements shall apply to the Chinese tax authorities for refund of the enterprise income tax exceeding the agreed tax rate, and the refund application shall be subject to approval by the Chinese tax authorities.

Income Tax on Share Transfer

Individual Investors

According to the IIT Law and its implementation regulations, income derived from the sale of equities in PRC resident enterprises is subject to individual income tax levied at a rate of 20%. According to the Circular of the Ministry of Finance and the State Taxation Administration on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (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(財稅字[1998]61號)) ("Circular 61") issued and implemented by the Ministry of Finance and the State Taxation Administration on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed enterprises shall continue to be exempted from individual income tax.

However, according to 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 (Cai Shui [2009] No. 167) (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(財稅[2009]167號)) jointly issued by the Ministry of Finance, the State Taxation Administration and the CSRC on December 31, 2009 and effective from January 1, 2010, individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange 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 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 (Cai Shui [2010] No. 70) (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(財稅[2010]70號)) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that non-PRC resident individuals are subject to individual income tax on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the EIT Law and its implementation regulations, if a non-resident enterprise does not have an establishment or premise in the PRC, or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise, the non-resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise. Such income tax payable by non-resident enterprises is 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. Such tax may be reduced or exempted in accordance with relevant tax treaties or agreements for the avoidance of double taxation.

Taxation Policies of Shanghai-Hong Kong Stock Connect

According to the Notice of the Ministry of Finance, the State Taxation Administration and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (財政部、國家稅務總局、證監會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(財稅[2014]81號)) effective from November 17, 2014, for the dividends and bonuses received by individual investors in the Mainland China from investing in H shares listed on the Hong Kong Stock Exchange (the "Hong Kong Stock Exchange") through the Shanghai-Hong Kong Stock Connect, the H-share companies shall submit an application to China Securities Depository and Clearing Corporation Limited (the "CSDC"), which shall provide the H-share companies with the register of individual investors in the Mainland China. The H-share companies shall withhold individual income tax at a rate of 20%.

The dividend income obtained by enterprise investors in the Mainland China from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect shall be included in their total income, and subject to enterprise income tax in accordance with the law. The dividend income received by PRC resident enterprises which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax in accordance with the law. H-share companies are not required to withhold dividend income tax for enterprise investors in the Mainland China, and the tax payable shall be declared and paid by enterprise investors on their own.

According to the Announcement of the Ministry of Finance, the State Taxation Administration, and the CSRC on the Continued Implementation of the Individual Income Tax Policies on the Interconnection Mechanism for Transactions in the Shanghai-Hong Kong Stock Markets and the Shenzhen-Hong Kong Stock Markets and the Mutual Recognition of Funds between the Mainland China and Hong Kong (財政部、稅務總局、中國證監會關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告) issued on August 21, 2023 and effective on the same day, the gains derived from transfer difference by individual investors in the Mainland China from investing in stocks listed on the Hong Kong Stock Exchange under the Shanghai-Hong Kong Stock Connect will continue to be exempt from individual income tax on a temporary basis until December 31, 2027.

Taxation Policies of Shenzhen-Hong Kong Stock Connect

According to the Notice of the Ministry of Finance, the State Taxation Administration and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen-Hong Kong Stock Markets (Cai Shui [2016] No. 127) (財政部、國家稅務總局、證券會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(財稅[2016]127號)) effective from December 5, 2016, for the dividends and bonus received by individual investors in the Mainland China from investing in H shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect, the H-share companies shall submit an application to the CSDC, which shall provide the H-share companies with the register of individual investors in the Mainland China. The H-share companies shall withhold individual income tax at a rate of 20%.

The dividend income received by enterprise investors in the Mainland China from investing in stocks listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall be included in their total income, and subject to enterprise income tax in accordance with the law. The dividend income received by PRC resident enterprises which hold H shares for at least 12 consecutive months shall be exempt from enterprise income tax in accordance with the law. H-share companies are not required to withhold dividend income tax for enterprise investors in the Mainland China, and the tax payable shall be declared and paid by enterprise investors on their own.

According to the Announcement of the Ministry of Finance, the State Taxation Administration, and the CSRC on the Continued Implementation of the Individual Income Tax Policies on the Interconnection Mechanism for Transactions in the Shanghai-Hong Kong Stock Markets and the Shenzhen-Hong Kong Stock Markets and the Mutual Recognition of Funds between the Mainland China and Hong Kong (財政部、稅務總局、中國證監會關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告) issued on August 21, 2023 and effective on the same day, the gains derived from transfer difference by individual investors in the Mainland China from investing in stocks listed on the Hong Kong Stock Exchange under the Shenzhen-Hong Kong Stock Connect will continue to be exempt from individual income tax on a temporary basis until December 31, 2027.

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China on Stamp Duty (中華人民共和國印花稅法) issued on June 10, 2021 and effective on July 1, 2022, the PRC stamp duty only applies to specific taxable vouchers that are signed or received within the PRC, legally binding within the territory of China, and are protected by Chinese laws. Therefore, the PRC stamp duty on the transfer of shares of PRC listed companies does not apply to acquisitions or dispositions of H shares outside the PRC by non-PRC investors.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

Major Taxation of Our Company in the PRC

Enterprise Income Tax

According to the EIT Law and its implementation regulations, all enterprises and other organizations that obtain income within China (including foreign-invested enterprises) are subject to enterprise income tax at a flat tax rate of 25%.

According to the Administrative Measures for the Recognition of High-Tech Enterprises (高新技術企業認定管理辦法), which was amended by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration on January 29, 2016 and effective on January 1, 2016, enterprises recognized as high-tech enterprises may apply for a preferential enterprise income tax rate of 15% in accordance with the relevant provisions of the EIT Law.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (財政部、國家稅務總局關於實施小微企業和個體工

商戶所得稅優惠政策的公告), which was issued on March 26, 2023, the annual taxable income of a small low-profit enterprise that does not exceed RMB1 million shall be included in its taxable income at a reduced rate of 25%, with the applicable enterprise income tax rate of 20%. According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (財政部、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) issued on August 2, 2023, the policy, which allows small and low-profit enterprises to calculate taxable income at a rate of 25% and pay enterprise income tax at a tax rate of 20%, shall continue to be implemented until December 31, 2027.

Value-added Tax

According to the Interim Regulations on VAT of the People's Republic of China (中華人民共和國增值稅暫行條例) promulgated by the State Council and last amended on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations on VAT of the People's Republic of China (中華人民共和國增值稅暫行條例實施細則) issued by the Ministry of Finance and last amended on October 28, 2011, entities and individuals engaging in the sale of goods, supply of processing, repair, and replacement services, and import of goods within China are taxpayers of VAT and shall pay the VAT in accordance with the law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers engaging in the sale or import of goods, as well as the supply of processing, repair and replacement services, and in certain specific circumstances, 11%, 6%, or 0%.

According to the Notice of the Ministry of Finance and the State Taxation Administration on Adjusting the VAT Rates (Cai Shui [2018] No. 32) (財政部、稅務總局關於調整增值稅稅率的通知(財稅[2018]32號)), which was issued on April 4, 2018, and came into effect on May 1, 2018, the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 16% and 10%, respectively.

According 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) issued by the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on March 20, 2019, and implemented on April 1, 2019, the VAT rates of 16% and 10% applicable to any general taxpayer's VAT taxable sale or import of goods shall be adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC issued the Value-Added Tax Law of the People's Republic of China (中華人民共和國增值稅法) (the "VAT Law"), which shall come into effect on January 1, 2026, and replace the Interim Regulations on Value-Added Tax of the People's Republic of China simultaneously. According to the VAT Law, entities and individuals (including individual industrial and commercial households) engaging in the sale of goods, services, intangible assets, real estate, and the import of goods in the PRC are taxpayers of VAT and shall pay the VAT in accordance with the provisions of this law. Unless otherwise stipulated, the tax rate is 13% for taxpayers engaging in the sale of goods or the supply of processing, repair and replacement services, tangible movable property leasing services and the import of goods, and in certain specific circumstances, 9%, 6%, or 0%.

Tax Preferential Policies for the Integrated Circuit Industry

According to the Guidelines on Tax and Fee Preferential Policies for Software Enterprises and Integrated Circuit Companies (2022) (軟件企業和集成電路企業稅費優惠政策指引(2022)) issued by the State Taxation Administration in May 2022, the integrated circuit industry enjoys a variety of tax incentives. For example, integrated circuit design, equipment, materials, packaging and testing enterprises encouraged by the state can enjoy regular enterprise income tax reductions or exemptions; key integrated circuit design enterprises encouraged by the state can enjoy regular enterprise income tax reductions or exemptions; and the staff training expenses of integrated circuit design companies can be deducted before tax based on the actual amount incurred.

According to the Notice of the State Council on Printing and Distributing Several Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry in the New Era (Guo Fa [2020] No. 8) (國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知(國發[2020]8號)) ("Notice 8") issued on July 27, 2020, and the Announcement on Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry (關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告) jointly issued by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology on December 11, 2020, integrated circuit design, equipment, materials, packaging and testing, and software enterprises encouraged by the state are exempt from enterprise income tax for the first two years from the first profit-making year. During the third year to the fifth year, the enterprise income tax shall be levied at half of the statutory tax rate of 25%. Key integrated circuit design enterprises and software enterprises encouraged by the state are exempt from enterprise income tax for the first five years from the first profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in subsequent years. The Notice of the National Development and Reform Commission and Other Departments on Requirements for Formulating the Lists of Integrated Circuit Enterprises or Projects and Software Enterprises Eligible for Tax Incentives in 2024 (Fa Gai Gao Ji [2024] No. 351) (國家發展改革委等部門關於做好2024年享受稅收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知(發改高技[2024]351號)), which was issued on March 21, 2024, elaborates on the conditions and project standards for enterprises to enjoy tax incentives on the basis of Notice 8.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi. Authorized by the People's Bank of China ("PBOC"), SAFE is empowered with the functions of administering all matters related to foreign exchange, including the enforcement of foreign exchange management regulations.

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (中華人民共和國外匯管理條例), which were amended by the State Council on August 5, 2008, and came into effect on the same day, all international payments and transfers are classified into current accounts and capital accounts. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sales business of foreign exchange in accordance with relevant provisions of the state, and the authenticity of transaction documents and their consistency with foreign exchange receipts and payments shall be subject to reasonable review by the aforementioned institutions. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in the settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the state.

According to the Provisions on the Administration of Settlement, Sales and Payment of Foreign Exchange (結匯、售匯及付匯管理規定), which were issued by the PBOC on June 20, 1996, and came into effect on July 1, 1996, the remaining restrictions on the convertibility of foreign exchange under current account are abolished, while the existing restrictions on foreign exchange transactions under capital accounts are retained.

According to relevant PRC laws and regulations, PRC enterprises (including foreign-invested enterprises) that need foreign exchange for current account transactions may effect payment from their foreign exchange accounts at designated foreign exchange banks with valid receipts and transaction vouchers, without the approval of the SAFE. Foreign-invested enterprises that need to distribute profits to their shareholders in foreign exchange and PRC enterprises that need to pay dividends to shareholders in foreign exchange as required shall pass a resolution of the board of directors or shareholders' meetings and conduct currency exchange and payments at designated foreign exchange banks.

According to the Decision of the State Council on Canceling and Adjusting a Batch of Administrative Approval Items and Other Matters (Guo Fa [2014] No. 50) (國務院關於取消和調整一批行政審批項目等事項的決定(國發[2014]50號)), which was issued by the State Council on October 23, 2014, and came into effect on the same day, the administrative approval requirements of the SAFE and its branches for the settlement of funds raised from overseas listings when remitted back to domestic RMB accounts are abolished.

According to the Notice of the SAFE on Issues Concerning the Administration of Foreign Exchange for Overseas Listings (Hui Fa [2014] No. 54) (國家外匯管理局關於境外上市外匯管理有關問題的通知(匯發[2014]54號)) issued by the SAFE on December 26, 2014, domestic companies shall complete registration formalities for overseas listing with the foreign exchange administration at the place of registration within 15 working days after the completion of overseas listing and issuance. The funds raised by domestic companies from overseas listings may be remitted back to domestic accounts or deposited in overseas accounts, and the use of funds shall be consistent with the relevant contents set out in the prospectuses and public disclosure documents such as resolutions of the board of directors and shareholders' meetings.

According to the Notice of the SAFE on Reforming and Standardizing the Administration Policy of Capital Account Settlement (Hui Fa [2016] No. 16) (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(匯發[2016]16號)) issued by the SAFE on June 9, 2016, domestic institutions may, in accordance with relevant policies and based on the actual needs of their business operations, conduct voluntary settlement of their foreign exchange receipts under the capital account (including funds repatriated from overseas listings) with banks. The proportion of voluntary settlement of foreign exchange receipts under the capital account of domestic institutions is tentatively set at 100%, and the SAFE may adjust the aforementioned proportion in due course according to international balance of payments.

According to the Notice of the SAFE on Further Promoting the Facilitation of Cross-border Trade and Investment (Hui Fa [2019] No. 28) (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(匯發[2019]28號)) issued by the SAFE on October 23, 2019, and the Notice of the SAFE on Further Deepening Reforms to Promote the Facilitation of Cross-border Trade and Investment (Hui Fa [2023] No. 28) (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(匯發[2023]28號)) last amended on December 4, 2023, the restrictions on domestic equity investment by non-foreign-invested enterprises using registered capital and the restrictions on the use of funds from the liquidation of assets in domestic accounts for settlement have been abolished. The restrictions on the use and settlement of foreign investors' margin have also been relaxed. Eligible enterprises in pilot areas may also use the income from capital account such as registered capital, foreign debts and overseas listing income for domestic payments without providing authenticity verification materials to the bank on a case-by-case basis in advance. At the same time, the use of funds shall be real, compliant, and in line with the current regulations on the management of capital income.