1. TAXES ON SECURITY HOLDERS

Income tax and capital gains tax for H-share holders are governed by the laws and practices of China and the jurisdictions in which H-share holders are residents or are otherwise subject to taxation. The following summary of certain relevant tax provisions is based on current laws and practices, which are subject to change, and does not constitute legal or tax advice. The discussion is not intended to cover all tax consequences that may arise from H-share [REDACTED], nor does it take into account the specific circumstances of any individual [REDACTED], some of which may be subject to special rules. Accordingly, you should consult a tax advisor regarding the tax consequences of H-share [REDACTED]. The discussion is based on laws and relevant interpretations in effect as of the date of this document, which are subject to change and may have retroactive effect.

The discussion does not address any Chinese or Hong Kong tax issues other than income tax, capital gains tax, stamp duty, and inheritance tax. Prospective investors should consult their financial advisors regarding the Chinese, Hong Kong, and other tax consequences associated with the ownership and sale of H-shares.

A. Chinese Taxes

Taxes on Dividends

Pursuant 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》) and its implementing regulations, as most recently amended by the Standing Committee of the National People's Congress on August 31, 2018, and effective as of January 1, 2019, dividends distributed by Chinese enterprises are subject to a flat individual income tax rate of 20%. Non-Chinese resident foreigners receiving dividends from Chinese enterprises are generally subject to a 20% individual income tax, unless specifically exempted by the tax authorities of the State Council or granted tax relief under relevant tax treaties.

Pursuant to the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and its implementing regulations, as most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and effective as of that date, the rate of enterprise income tax shall be 25 per cent. Where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall generally pay enterprise income tax at a rate of 10% on their income generated from inside China (including dividends received from Chinese resident enterprises that have issued shares in Hong Kong). The aforementioned tax payable on the income earned by a non-resident enterprise, shall be withheld at source, with the provider of the income serving as the withholding obligor. When making such a payment, the withholding obligor shall withhold the income tax from such payment.

Non-resident investors residing in jurisdictions that have signed double taxation avoidance agreements or adjustments with China may be entitled to a reduction or exemption from Chinese corporate income tax on dividends received from Chinese companies. China has currently concluded double taxation agreements or arrangements with Hong Kong, Macao, and numerous other countries and regions, including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-resident enterprises eligible for preferential tax rates under relevant tax treaties or arrangements must apply to the Chinese tax authorities for a refund of the portion of corporate income tax exceeding the treaty rate; such refund applications are subject to approval by the Chinese tax authorities.

TAXES RELATED TO SHARE TRANSFERS

Income Tax

Individual Investors

Pursuant 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》) and its implementing regulations, gains from the transfer of equity interests in Chinese resident enterprises are subject to a 20% individual income tax.

Pursuant to the Notice on the Continued Temporary Exemption from Individual Income Tax on Gains from the Transfer of Shares by Individuals (《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 Ministry of Finance and the State Administration of Taxation on March 30, 1998, gains from the transfer of shares in listed companies by individuals have been temporarily exempt from individual income tax since January 1, 1997.

Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Catalog of Preferential Policies on Individual Income Tax for Remaining in Effect (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》)), promulgated by the Ministry of Finance and the State Administration of Taxation on December 29, 2018 and effective on the same date, the Notice on the Continued Temporary Exemption from Individual Income Tax on Gains from the Transfer of Shares by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), promulgated by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 and effective on the same date, shall remain in effect.

However, pursuant to the Notice on Issues Concerning Individual Income Tax Levy on Gains from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) jointly issued by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on December 31, 2009, and effective as of January 1, 2010, gains derived from the transfer of shares of companies listed on relevant domestic securities exchanges shall continue to be exempt from individual income tax, except for the relevant restricted shares as defined in the Supplementary Notice on Issues Concerning Individual Income Tax Levy on Gains from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》), issued by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on November 10, 2010, and effective as of that date. As of the Latest Practicable Date, the aforementioned provisions do not explicitly stipulate the levy of individual income tax on gains derived from the transfer by non-Chinese resident individuals of shares of Chinese resident enterprises listed on overseas stock exchanges.

Corporate Investors

Pursuant to the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and its implementing regulations, the rate of enterprise income tax shall be 25 per cent. Where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall generally pay enterprise income tax at a rate of 10% on their income generated from inside China (including proceeds from the sale of equity interests in Chinese resident enterprises). The income tax payable on a non-resident enterprise, shall be withheld at source, with the provider of the income serving as the withholding obligor. When making such a payment, the withholding obligor shall withhold the income tax from such payment. This tax may be reduced or exempted in accordance with relevant tax treaties or avoidance of double taxation agreement.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花稅法》), promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and effective as of July 1, 2022, The entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the People's Republic of China shall be taxpayers of stamp tax, and shall pay stamp tax; where entities or individuals, outside the territory of the People's Republic of China, conclude taxable certificates that are used within the territory of China, they shall pay stamp tax.

Estate Tax

Under Chinese law, as of the date of this document, no estate tax has been imposed within China.

B. Hong Kong Taxes

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is generally payable in Hong Kong in respect of dividends paid by us, although foreign-sourced dividends on the [REDACTED] received in Hong Kong by a multinational enterprise entity carrying on a trade, profession or business in Hong Kong, which does not satisfy a relevant economic substance requirement, may, subject to certain exceptions, be taxable in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of the Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

2. THE COMPANY'S MAJOR TAXES IN CHINA

Corporate Income Tax

Pursuant to the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, enterprises established within China in accordance with the law, or those established under the laws of a foreign country (or region) but with their actual place of management within China, shall be deemed resident enterprises. Resident enterprises shall pay a 25% corporate income tax on their income derived from both within and outside China. Preferential corporate income tax rates apply to any key industries or projects supported or encouraged by the state. High-tech enterprises receiving state support are eligible for a reduced corporate income tax rate of 15%. According to the Measures for the Administration of Recognition of High-Tech Enterprises (《高新技術企業認定管理辦法》), as most recently 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, the High-Tech Enterprise Certificate is valid for three years.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), promulgated by the Standing Committee of the National People's Congress on December 25, 2024, and effective as of January 1, 2026, taxpayer engaged in sale of goods or processing, repair and maintenance, sale services, intangible assets and immovables and importation of goods within the territory of the People's Republic of China shall pay VAT. Unless otherwise provided, generally, VAT taxpayers that sell services or intangible assets are subject to a tax rate of 6%; as for movables leasing services, VAT taxpayers are subject to a tax rate of 9%.

Pursuant to the Provisions on the Pilot Transitional Policy for Replacing Business Tax with Value-Added Tax (《營業稅改征增值稅試點過渡政策的規定》) of the Notice on the Full Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改征增值稅試點的通知》(財稅[2016]36號)) issued by the Ministry of Finance and the State Administration of Taxation on March 3, 2016, and effective on May 1, 2016, taxpayers are exempt from value-added tax for the provision of technology transfer, technology development, and related technical consulting and technical services.

3. FOREIGN EXCHANGE

Pursuant 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》), as most recently amended by the State Council on August 5, 2008, and effective on the same date, international payments and transfers are classified into current account and capital account transactions. Current account transactions (such as profit distributions, interest payments, and foreign exchange transactions related to trade and services) may be settled in foreign currency in accordance with specific procedures without prior approval from the State Administration of Foreign Exchange; if RMB is converted into foreign currency and remitted out of China for payment, capital account transactions (such as direct investment, repayment of foreign currency loans, repatriation of investment proceeds, and investment in securities outside China) must be approved by or registered with the relevant government authorities.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Management Policies for 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 State Administration of Foreign Exchange on February 13, 2015, effective on June 1, 2015, and partially repealed on December 30, 2019, banks act on behalf of the State Administration of Foreign Exchange to directly review and process foreign exchange registrations for both domestic direct investment and overseas direct investment. while the State Administration of Foreign Exchange and its branches exercise indirect supervision over foreign exchange registration for direct investment through banks.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming the Management of Foreign Exchange Capital Conversion for Foreign-Invested Enterprises《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》 ("Document No. 19"), which was issued by the State Administration of Foreign Exchange on March 30, 2015, and became effective as of June 1, 2015, the Notice of the State Administration of Foreign Exchange on the Repeal and Expiration of 15 Foreign Exchange Management Regulatory Documents and the Amendment of Provisions in 14 Foreign Exchange Management Regulatory Documents (《國家外匯管理局關於廢止和失效15件外匯管理規範性文件及調整14件外匯管理規範性文件條款的通知》), which was recently revised by the State Administration of Foreign Exchange on March 23, 2023, and became effective on the same day, foreign-invested enterprises are permitted to use the RMB proceeds from the conversion of foreign exchange capital for equity investments. Pursuant to the Document No. 19, foreign exchange capital in the capital account of a foreign-invested enterprise that has been confirmed as a monetary capital contribution by the State Administration of Foreign Exchange (or registered as a monetary capital contribution by a bank) may be converted into RMB at a bank based on the enterprise's actual operational needs. The voluntary conversion ratio for foreign exchange capital of foreign-invested enterprises is tentatively set at 100%. The State Administration of Foreign Exchange may adjust the aforementioned ratio as appropriate in light of the balance of international payments situation. Furthermore, pursuant to the Document No. 19, the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing Capital Account Exchange Management Policies (《國家外匯管理局關於改革和規範資本　目結匯管理政策的通知》) (Document No. 16) issued by the State Administration of Foreign Exchange on June 9, 2016, and effective on the same day, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote the Facilitation of 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》), which was most recently revised and effective as of December 4, 2023, non-financial foreign-invested enterprises shall not use the RMB funds derived from their foreign exchange capital for expenditures outside the scope of their business operations, securities investments, or other investment and wealth management activities (except for wealth management products with a risk assessment rating of no higher than Level II and structured deposits), nor shall they extend loans to non-affiliated enterprises or construct or purchase residential real estate for non-self-use purposes.

Pursuant to the Notice of the State Administration of Foreign Exchange 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》), which was most recently revised and took effect on December 4, 2023, restrictions on domestic equity investments using capital contributions by non-investment-oriented foreign-invested enterprises have been cancelled. Non-investment-oriented foreign-invested enterprises are permitted to use their capital contributions to make domestic equity investments in accordance with the law, provided that such investments do not violate the provisions of the Negative List and the domestic projects in which they invest are genuine and compliant.

Pursuant to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management to Support the Development of Foreign-Related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), issued by the State Administration of Foreign Exchange on April 10, 2020, and effective as of that date, eligible enterprises that use capital account receipts, such as capital, foreign debt, and proceeds from overseas listings, for domestic payments are not required to provide banks with proof of authenticity on a transaction-by-transaction basis in advance, provided that the use of funds is genuine and compliant and conforms to current regulations on the use of capital account receipts. Relevant banks must conduct spot checks in accordance with relevant regulations.

Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning Capital Management for Overseas Listings of Domestic Enterprises (《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》), promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025, and effective as of April 1, 2026, domestic enterprises overseas listing shall apply for overseas listing registration with a bank within the provincial/a city with independent planning status (hereinafter referred to as the "local bank") to apply for overseas listing registration. Funds raised by domestic enterprises through overseas listings should, in principle, be repatriated to the domestic market in a timely manner. If funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending, or other business activities, approval or filing documents from the competent business authorities must be obtained prior to the conclusion of the overseas listing issuance or the completion of the over-allotment, and such activities must comply with relevant cross-border capital management regulations.