TAXATION OF SECURITY HOLDERS

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

No issues on PRC taxation other than income tax, capital appreciation and profit tax, value-added tax, stamp duty and estate duty were referred to in the discussion. Prospective **[REDACTED]** are urged to consult their financial advisors regarding the PRC and other tax consequences of owning and disposing of H Shares.

TAXATION IN CHINESE MAINLAND

Tax on Dividends

Individual investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**IIT Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on September 10, 1980, last amended on August 31, 2018 and came into effect on January 1, 2019, and the Implementation Rules for 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》), which was promulgated by the State Council on January 28, 1994, last amended on December 18, 2018 and came into effect on January 1, 2019, dividends distributed by PRC enterprises to individual investors are subject to tax at a rate of 20%, and for a foreign individual who is not a resident of the PRC, dividends derived from an enterprise established within the PRC are generally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced pursuant to the relevant tax treaties. 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 ("**MOF**"), the State Administration of Taxation ("**SAT**") and the China Securities Regulatory Commission (the "**CSRC**") on September 7, 2015 and came into effect on September 8, 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; 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**"), signed on August 21, 2006 and came into effect on December 8, 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 (《<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**"), signed on July 19, 2019 and came into effect on December 6, 2019, adds new criteria for determining the eligibility for the preferential treatment of the Arrangement. Notwithstanding the provisions of other terms of this Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of this Arrangement is to obtain the benefits, the benefits shall not be granted in connection with the relevant income, unless it can be confirmed that the benefits under such circumstances is consistent with the purposes and objectives of the relevant provisions of this Arrangement. In addition, the application of the dividend clause of tax agreements shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), promulgated by the SAT on February 20, 2009 and came into effect on the same day.

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**"), promulgated by the SCNPC on March 16, 2007, last amended on December 29, 2018 and came into effect on the same date, and the Implementation Rules 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》), promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and came into effect on January 20, 2025, a non-resident enterprise is subject to a reduced 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if a non-resident enterprise either does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but its PRC-sourced income is not effectively connected with that establishment or place of business. This income tax payable by non-PRC resident enterprises is subject to withholding at source, with the payer acting as the withholding agent, and the withholding agent must deduct the tax from each payment or amount due at the time of payment or when it becomes due. This tax may be reduced or exempted in accordance with an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice of the SAT on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders which are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and came into effect on November 6, 2008, a PRC resident enterprise paying dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises shall withhold the enterprise income tax thereon at the uniform rate of 10%. Non-resident enterprise shareholders shall follow the relevant provisions executed by tax treaty where they need to enjoy the treatment of the tax treaty.

Pursuant to the Arrangement, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural persons and legal entities), 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 adds new criteria for determining eligibility for the preferential treatment of the Arrangement. Notwithstanding the provisions of other terms of this Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of this Arrangement is to obtain the benefits, the benefits shall not be granted in connection with the relevant income, unless it can be confirmed that the benefits under such circumstances is consistent with the purposes and objectives of the relevant provisions of this Arrangement. In addition, the application of the dividend clause of tax agreements shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), promulgated by the SAT on February 20, 2009 and effective on the same date.

In accordance with applicable regulations, the Company intends to withhold tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of our H Shares. Non-PRC resident enterprises eligible for a preferential tax rate under an applicable income tax treaty must apply to the PRC tax authorities for a refund of any excess withholding beyond the treaty rate. The grant of such refunds is subject to verification by the PRC tax authorities.

Taxes on Gains from Share Transfers

Individual investors

Under the IIT Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains from the transfer of equity interests in PRC resident enterprises. Pursuant to the Circular of the MOF and the SAT on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《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》), which was issued on March 30, 1998 and came into effect on the same day, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT does not specify whether the income from the transfer of shares in listed companies by individuals will continue to be exempted from personal income tax under the newly revised IIT Law and its implementation rules.

The MOF, SAT and CSRC on Issues Relating to Levying of Individual Income Tax on Income Derived by Individuals from Transfer of Moratorium Shares of Listed Companies (《財政部、國家稅務總局、證監會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》) issued by the MOF, SAT and CSRC on December 31, 2009 and came into effect on the same date, states that individuals' income from transfer of listed shares obtained from the public offering of listed companies and the transfer market on the Shanghai Stock Exchange and 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 Notice of MOF, SAT and CSRC on Issues Relating to Levying of Individual Income Tax on Income from Transfer of Moratorium Shares of Listed Companies by Individuals (《財政部、國家稅務總局、證監會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》), which was issued by the above-mentioned departments and came into effect on November 10, 2010. As of the Latest Practicable Date, no aforesaid provisions have expressly provided whether individual income tax shall be collected from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at a rate of 10% on PRC-sourced income, including gains from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or if it has an establishment or premises in the PRC but the PRC-sourced income is not effectively connected to them. This income tax payable by non-PRC resident enterprises is subject to withholding at source, with the payer acting as the withholding agent. The withholding agent must deduct the tax from each payment or amount due at the time of payment or when it becomes due. Such tax may be reduced or exempted under applicable tax treaties or agreements.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant 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》) promulgated by the MOF, the SAT and the CSRC on November 5, 2016 and came into effect on December 5, 2016, income from transfer spreads and income from dividends and bonuses obtained by mainland enterprise investors from investments in stocks listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect will be included in their total income and subject to corporate income tax according to law. The dividends received by resident enterprises in the Chinese Mainland that hold H Shares for at least 12 consecutive months shall be exempted from enterprise income tax according to laws. The company of such H Shares will not withhold and pay the income tax of dividends for domestic enterprise investors and the enterprise shall report and pay the relevant tax by itself. For income from dividends and bonuses obtained by mainland individual investors from investments in H Shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect, H share companies shall submit applications to China Securities Depository and Clearing Corporation Limited ("**CSDC**"), which will provide H share companies with the register of individual mainland investors, and the H share companies shall withhold the individual income tax at the tax rate of 20%.

Pursuant to the Announcement on Continuing the Implementation of the Relevant Individual Income Tax Policies concerning the Shanghai-Hong Kong Stock Market Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Mainland China and Hong Kong (《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》), promulgated by the MOF, the STA and the CSRC on August 21, 2023 and came into effect on the same date, the transfer spread income derived by individual investors in Chinese mainland from investing in shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax from December 5, 2019 to December 31, 2027.

Stamp Duty

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

Estate Duty

According to the PRC laws, no estate duty is currently levied in Chinese mainland.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law and its implementation regulations, both resident enterprises and non-resident enterprises are subject to taxation in China. Resident enterprises are subject to enterprise income tax at a uniform rate of 25%, while the enterprise income tax rate for High and New Technology Enterprises is 15%.

Value-Added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993, last amended on November 19, 2017 and effective on the same date, and the Implementation Rules for 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》) promulgated by the Ministry of Finance on December 25, 1993, last amended on October 28, 2011 and effective on November 1, 2011, entities and individuals that sell goods or perform processing, repair, or maintenance services, sell services, intangible assets, or real estate, or import goods within China are VAT taxpayers and are required to pay VAT. Except as otherwise provided in the above regulations, the sales or import of goods by taxpayers are generally subject to VAT at a rate of 17%.

According to the Notice of the Ministry of Finance and the State Taxation Administration on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was promulgated by the Ministry of Finance and the STA on April 4, 2018 and came into effect on May 1, 2018, the original tax rates of 17% and 11% applicable to taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Administration of Taxation and General Administration of Customs on Relevant Policies for Deepening Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》), promulgated by the Ministry of Finance, the STA and General Administration of Customs on March 20, 2019 and effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the general taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

The SCNPC promulgated the Value-Added Tax Law on December 25, 2024, which took effect on January 1, 2026. Upon the implementation of this law, the Provisional Regulations on Value-Added Tax of the PRC shall be repealed simultaneously. Under the Value-Added Tax Law, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, and real estate within China, as well as import goods, are VAT taxpayers and shall pay value-added tax. Except as otherwise provided in the Value-Added Tax Law, taxpayers engaging in taxable transactions shall calculate and pay value-added tax using the general taxation method by offsetting output tax against input tax. The applicable VAT rates for general taxpayers are 13%, 9%, 6% and 0%, while the collection rate for entities that calculate and pay value-added tax using the simplified taxation method is 3%.

PRC FOREIGN EXCHANGE CONTROL

The lawful currency of the PRC is Renminbi. The State Administration of Foreign Exchange, authorized 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 Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, last amended on August 5, 2008 and effective on the same date, all international payments and transfers are classified into current account items and capital account items. Chinese mainland does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of enterprises in Chinese mainland may be retained or sold to financial institutions engaging in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange income from the capital account to financial institutions engaging in the settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, except where no approval is required by the State.

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 June 20, 1996 and implemented on July 1, 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 in Chinese mainland, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items may, without the approval of the State Administration of Foreign Exchange, 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 enterprises that need to distribute profits to their shareholders in foreign exchange and Chinese enterprises that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from their foreign exchange accounts or pay at the designated foreign exchange banks by a resolution of the board of directors on the distribution of profits in accordance with the law.

According to the Decision of the State Council on Canceling 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 October 23, 2014 and effective on the same date, the administrative approval of the State Administration of Foreign Exchange and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing of foreign shares has been canceled.

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 by the State Administration of Foreign Exchange on February 13, 2015, revised on December 30, 2019 and implemented on the same date, the State Administration of Foreign Exchange has cancelled the confirmation of foreign exchange registration of domestic or overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration of domestic and overseas direct investment, and the State Administration of Foreign Exchange and its branches shall indirectly supervise the foreign exchange registration of direct investments through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Management Policies of Settlement under Capital Account Items (《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 by the State Administration of Foreign Exchange on June 9, 2016, revised on December 4, 2023 and effective on the same date, foreign exchange income from the capital account for which voluntary exchange settlement policies have been clearly implemented under relevant policies (including the funds repatriated from overseas listings) may be settled at banks according to actual business needs of domestic entities. The voluntary settlement ratio of foreign exchange income of domestic institutions under the capital account is tentatively set at 100%, subject to adjustment by the State Administration of Foreign Exchange in due time in accordance with international revenue and expenditure situations.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the State Administration of Foreign Exchange on April 10, 2020 and effective on the same date, on the premise of ensuring the authentic and compliant use of funds and complying with the existing regulations on the use of capital income, eligible enterprises are allowed to use capital income such as funds, foreign debts and proceeds from overseas listing for domestic payments without providing materials to the banks in advance for authenticity verification on a case-by-case basis.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), promulgated by the State Administration of Foreign Exchange on December 4, 2023 and effective on the same date, foreign exchange funds raised by domestic enterprises through overseas listings may be directly remitted into the settlement account of capital accounts, and funds within the settlement account of capital accounts may be freely converted and utilized.

The PBOC, the State Administration of Foreign Exchange and their branches shall supervise, administer and inspect the business registration, opening and use of accounts, cross-border income and expenditures, and fund exchange involved in the overseas listing of domestic enterprises under the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds in connection with Overseas Listing 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》), which was promulgated by the PBOC and the State Administration of Foreign Exchange on December 24, 2025 and came into effect on April 1, 2026. A domestic enterprise shall, within 30 business days from the first trading day of its overseas listing or the completion of the **[REDACTED]**, complete the overseas listing registration with the local bank at its place of registration. Funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. Where such funds are retained outside the PRC for the purpose of conducting overseas direct investment, overseas securities investment, overseas lending, or other business activities, the domestic enterprise shall obtain approval or filing documentation from the competent business authority prior to the date of completion of the overseas issuance or the **[REDACTED]**, and shall comply with the relevant cross-border fund administration regulations.