

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax, 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 CHINESE MAINLAND

Tax 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**”), latest amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Regulations for Individual Income Tax 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》), amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses 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》), promulgated by the Ministry of Finance, the State Taxation Administration and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via public offerings 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 public offerings and market transfer and held for less than one month (including one month), 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 (including one year), 50% of the income from dividends and bonuses therefrom shall temporarily be included in the individual’s taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant 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 by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 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%

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

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 of the State Taxation Administration 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 (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (the “**Fifth Protocol**”), issued by the State Taxation Administration and effective on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such preferential tax treatment, unless it can be confirmed that the granting of the preferential tax treatment under the circumstances is in line with the principles and purposes of the relevant provision.

Enterprise Investors

Pursuant 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, latest amended and effective on December 29, 2018, and the Implementation Regulations for 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》), latest amended by the State Council on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a 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 such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-Resident Enterprise Holders of H Shares (《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》), promulgated by the State Taxation Administration and effective on 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 holders of H Shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such preferential tax treatment, unless it can be confirmed that the granting of the preferential tax treatment under the circumstances is in line with the principles and purposes of the relevant provision.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

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 Chinese corporate income tax imposed on the dividends received from PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Tax on Gains from Share Transfer

Individual Investors

According to the IIT Law and its implementation regulations, individuals are subject to individual income tax at the rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Under the Circular of the Ministry of Finance and the State Taxation Administration on Declaring that Individual Income Tax Continues to Be Exempted over Individual Income Tax from Transfer of Shares (《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》) (Cai Shui Zi [1998] No. 61) (the “**Circular 61**”), issued by the Ministry of Finance and the State Taxation Administration on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax. According to Announcement of the Ministry of Finance and the State Taxation Administration on the Catalog of Preferential Individual Income Tax Policies with Continued 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》), issued by the Ministry of Finance and the State Taxation Administration on December 29, 2018, the Circular 61 will continue to be effective.

However, the Notice on Issues Concerning the Levy of Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks 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 promulgated and implemented by the Ministry of Finance, the State Taxation Administration and CSRC on December 31, 2009, states that individuals’ income from the transfer of listed shares obtained from the public offering of listed companies and of shares listed 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 Notice on Issues Concerning the Levy of Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks 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》) jointly promulgated and implemented by relevant departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

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

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Taxation Policy of Shanghai-Hong Kong Stock Connect

Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration and the China Securities Regulatory Commission on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員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》) (Cai Shui [2014] No. 81), promulgated on October 31, 2014 and effective on November 17, 2014, for dividends and bonus obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange (the “HKSE”) through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to the China Securities Depository and Clearing Corporation Limited (the “CSDC”) for provision by CSDC to the H-share companies register of individual investors in Chinese Mainland, and the H-share companies shall withhold individual income tax at the rate of 20%.

Income from dividends and bonus derived by Chinese Mainland corporate investors from investment in shares listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax pursuant to the law. Income from dividends and bonus derived by a Chinese Mainland resident enterprise for holding H shares over 12 consecutive months shall be exempted from enterprise income tax pursuant to the law. The H-share company shall not withhold income tax on dividends and bonus for corporate investors in Chinese Mainland, and the enterprise shall file and pay the taxes by themselves.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland 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 on August 21, 2023 and effective on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the HKSE through Shanghai-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Taxation Policy of Shenzhen-Hong Kong Stock Connect

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《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》) (Cai Shui [2016] No. 127), promulgated on November 5, 2016 and effective on December 5, 2016, for dividends and bonus income obtained by mainland individual investors investing in H shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for provision by CSDC to the H-share companies register of individual investors in Chinese Mainland, and individual income tax shall be withheld by H-share companies at the tax rate of 20%.

Income from dividends and bonuses derived by a corporate investor in Chinese Mainland from investment in shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect shall be included in the total income amount, and subject to enterprise income tax pursuant to the law. Income from dividends and bonuses derived by a Chinese Mainland resident enterprise for H shares held for 12 months consecutively shall be exempted from enterprise income tax pursuant to the law. The H-share company shall not withhold income tax on dividends and bonuses for corporate investors in Chinese Mainland, and the enterprise shall file and pay the taxes by themselves.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

(《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 on August 21, 2023 and effective on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Stamp Duty

According to the Stamp Duty Law of the People’s Republic of China (《中華人民共和國印花稅法》), promulgated on June 10, 2021 and effective on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, 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 Duty

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

MAJOR TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation regulations, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the flat tax rate of 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

According to the Announcement on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (《關於小微企業和個體工商戶所得稅優惠政策的公告》), promulgated by the Ministry of Finance and the State Taxation Administration on March 26, 2023, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. According to the Announcement on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (《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》), promulgated by the Ministry of Finance and the State Taxation Administration on August 2, 2023, the taxable income of a small low-profit enterprise shall be calculated at the reduced rate of 25%, and the policy of payment of enterprise income tax at the rate of 20% shall continue to be implemented until December 31, 2027.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Value-added Tax

According to the Interim Regulation of the People’s Republic of China on Value Added Tax (《中華人民共和國增值稅暫行條例》), promulgated by the State Council, latest amended and effective on November 19, 2017, and the Implementation of the Interim Regulation of the People’s Republic of China on Value Added Tax (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance, latest amended on October 28, 2011 and effective on November 1, 2011, all entities and individuals engaged in the sale of goods, provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the import of goods within the PRC territory are taxpayers of value-added tax (the “VAT”) and subject to value-added tax. Unless stated otherwise, for taxpayers engaged in the sale of goods, provision of labor services, tangible movable property leasing services or import of goods, the tax rate shall be 17%, and be, in certain specified circumstances, 11%, 6% and 0%.

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

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

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》) (“VAT Law”), which will take effect on January 1, 2026, and the Interim Regulation of the People’s Republic of China on Value Added Tax will be repealed concurrently. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real property and the import of goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for taxpayers engaged in the sale of goods, provision of processing, repair and replacement services, rental services of tangible movable assets and the import of goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Preferential Tax Policy for the Integrated Circuit Industry

According to the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業稅費優惠政策指引》), promulgated by the State Taxation Administration on May 21, 2022, the integrated circuit industry enjoys a variety of tax preferences. The integrated circuit design, equipment, materials, packaging and testing enterprises encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy the regular exemption or reduction of enterprise income tax; staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

According to the Notice of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of Integrated Circuit and Software Industries in the New Era (《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》) (Guo Fa [2020] No. 8) (the “No. 8 Notice”) and the Announcement on Enterprise Income Tax Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

業高質量發展企業所得稅政策的公告》), jointly promulgated by the Ministry of Finance, the State Taxation Administration, the NDRC and the Ministry of Industry and Information Technology, the integrated circuit design, equipment, materials, packaging and testing and software enterprises encouraged by the State are exempted from enterprise income tax during the first year and the second year from the 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 shall be exempted from enterprise income tax during the first year to the fifth year since the profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in successive years. The Notice of the National Development and Reform Commission and Other Departments on Making Relevant Requirements for the List of Integrated Circuit Enterprises or Projects and Software Enterprises Entitled to Preferential Tax Policies for 2024 (《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》), on the basis of the No. 8 Notice, makes detailed description of the conditions and project standards for enterprises that enjoy preferential tax policy.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Additional Value-Added Tax Credit Policy for Integrated Circuit Enterprises (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》) (Cai Shui [2023] No. 17), from January 1, 2023 to December 31, 2027, enterprises engaged in the design, production, packaging and testing, equipment and materials of integrated circuits are allowed to deduct extra 15% of the deductible input tax in the current period from the value-added tax payable.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The State Administration of Foreign Exchange, authorized by the People’s Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), latest amended by the State Council 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. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account items of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated 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 People’s Bank of China on June 20, 1996 and effective 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 of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of 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 enterprise that need to distribute profits to their

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on 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 on 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 has been canceled.

According to the Notice of the Management of Funds Raised by Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) jointly promulgated by the PBOC and the SAFE on December 24, 2025, which came into effect on April 1, 2026, funds raised by domestic enterprises through overseas listings and proceeds from domestic shareholders reducing their holdings or transferring shares of domestic enterprises listed overseas may be repatriated in either foreign currency or RMB. Issuers participating in the H-Share “full circulation” shall distribute dividend payments to domestic shareholders directly within China in RMB through CSDC. In principle, such funds shall be repatriated to China in a timely manner. If such funds are retained overseas for conducting overseas direct investment, overseas securities investment, overseas lending, or similar activities, domestic enterprises raising funds through overseas listings shall obtain approval or filing documents from the competent authorities before the completion of the overseas listing issuance or the completion of the over-allotment, and shall comply with relevant cross-border capital management regulations.

According to the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《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》), promulgated by the State Administration of Foreign Exchange on June 9, 2016 and effective on the same date, domestic institutions may settle their foreign exchange receipts under the capital account (including repatriated funds through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. Domestic institutions may, at their discretion, settle up to 100% of their foreign exchange receipts under the capital account for the time being. The State Administration of Foreign Exchange may adjust the aforesaid proportion in due time in light of the international balance of payment.