

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

PRC TAXATION

Taxes for Securities Holders

The taxation of the income and capital gains of the holders of the H Shares is subject to the laws and practices of the PRC and the jurisdictions in which the holders of the H Shares are residents or are otherwise subject to taxation. The following summary of certain relevant tax provisions is based on laws and practices currently in force. We do not make any predictions regarding changes or adjustments to relevant laws or policies, nor will we issue any opinions or suggestions based on them. The discussion is not intended to cover all the possible tax consequences of the [REDACTED] in H Shares, nor does it take into account the particular circumstances of any individual [REDACTED], some of which may be subject to special rules. Therefore, [REDACTED] should consult tax advisors for advice on the tax issues of the [REDACTED] in H Shares. The discussion is based on the laws and related interpretations in force as of the signing date of this Document, which are subject to change or adjustment and may have retroactive effect.

The following discussion does not address any PRC or Hong Kong tax issues other than income tax, capital gains tax, stamp duty and estate duty. Prospective [REDACTED] are advised to consult their financial advisers in respect of PRC, Hong Kong and other tax matters relating to the holding and disposal of H Shares.

Taxes in Chinese Mainland

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the People’s Republic of China (the “Individual Income Tax Law”), which was latest amended by the Standing Committee of the National People’s Congress on August 31, 2018 and entered into force on January 1, 2019, as well as the Regulations for the Implementation of the Individual Income Tax Law of the People’s Republic of China, which was amended by the State Council on December 18, 2018 and entered into force on January 1, 2019, dividend paid by PRC companies to individual investors are generally subject to tax withholding at a flat rate of 20%. Meanwhile, pursuant to the Circular of the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on Issues Relating to the Differentiated Individual Income Tax Policy on Dividends of Listed Companies issued by the MOF, the SAT and the CSRC on September 7, 2015 and effective as of September 8, 2015, individuals are temporarily exempted from individual income tax on dividends from shares of listed companies acquired from the public offering and transfer market and held for a period of more than one year. For the shares of listed companies acquired from the public offering and transfer market and held for less than one month (inclusive), all of the dividend income should be included in the computation of taxable income; whereas for shares held for above one month to one year (inclusive), 50% of the dividend income should be included in the computation of taxable income. The above income shall be subject to individual income tax at a uniform rate of 20%.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Arrangement between Chinese Mainland 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 signed on August 21, 2006 (the “Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion”), the Chinese government may impose a tax on dividends payable by a Chinese company to a Hong Kong resident, but such tax shall not exceed 10% of the total dividends payable. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the tax levied shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol on the Arrangement between the Mainland 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 (the “Fifth Protocol”), which was promulgated by the State Administration of Taxation and became effective on December 6, 2019, provides that the relevant provisions of the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion shall not apply to any arrangement or transaction for which the main purpose is to obtain such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (the “Enterprise Income Tax Law”), adopted by the Standing Committee of the National People’s Congress and last amended and effective as of December 29, 2018, and the Implementing Regulations of the Enterprise Income Tax Law of the People’s Republic of China, promulgated by the State Council and last amended on December 6, 2024 and effective as of January 20, 2025, a non-resident enterprise is subject to enterprise income tax at the rate of 10% 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.

According to the Circular on Issues Related to the Withholding of the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H-share Non- Resident Enterprises issued by the State Administration of Taxation and effective as of November 6, 2008, when Chinese resident enterprises pay dividends derived from profits generated from 2008 onwards to non-resident enterprises H-share holders, enterprise income tax shall be withheld at a rate of 10%.

Under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the Chinese government may impose a tax on dividends paid by Chinese companies to Hong Kong residents, provided that such tax shall not exceed 10% of the total amount of dividends payable by the Chinese company. However, if a Hong Kong resident

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

directly holds 25% or more of the equity interest in a Chinese company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the tax levied shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol provides that such provisions shall not apply to any arrangement or transaction for which the main purpose is to obtain such tax benefits.

Tax Treaties

Non-resident investors who reside in jurisdictions that have entered into treaties with China on the avoidance of double taxation or have made relevant adjustments shall be entitled to relief from the enterprise income tax on dividends received from Chinese companies. Non-resident enterprises entitled to preferential tax rates under the relevant tax treaties or arrangements shall apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed rate, and the refund application shall be approved by the Chinese tax authorities.

According to the “Administrative Measures for Non-Resident Taxpayers to Enjoy Tax Treaty Benefits” promulgated by the State Taxation Administration on October 14, 2019, and effective as of January 1, 2020, non-resident taxpayers shall enjoy tax benefits under tax treaties through self-assessment, self-declaration, and retention of relevant documentation for inspection. Non-resident taxpayers who independently determine that they meet the conditions for enjoying treaty benefits may claim such benefits either when filing their tax returns or through the withholding agent when filing the withholding declaration. They must concurrently collect and retain relevant documentation for future reference as required, and accept subsequent management by the tax authorities.

Taxes on Income from Share Transfer

Value-Added Tax and Local Surcharges

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Comprehensively Implementing the Pilot Program for Changing Business Tax to VAT (the “Circular No. 36”), effective as of May 1, 2016, entities and individuals engaged in the sale of services within the territory of China are required to pay value-added tax. “Engaged in the sale of services within China” refers to situations where either the seller or the buyer of taxable services is located within China. Circular 36 also provides that, for general or foreign VAT payers, transfers of financial products (including transfers of ownership of marketable securities) are subject to 6% VAT on the taxable income (i.e., the balance of the sale price less the purchase price). However, the transfer of financial products by individuals is exempt from VAT. Pursuant to the provisions above, if the holder is a non-resident individual, they are exempt from Chinese VAT when selling or disposing of H-shares. If the holder is a non-resident enterprise and the buyer of the H-shares is an individual or entity located outside China, the holder is not required to pay Chinese VAT. However, if the buyer of the H-shares is an individual or entity located within China, the holder may be required to pay Chinese VAT.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Income Tax

Individual Investors

Pursuant to the Individual Income Tax Law and its implementing regulations, individuals shall pay a 20% individual income tax on gains derived from the sale of equity interests in Chinese resident enterprises. Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Continued Temporary Exemption of Individual Income Tax on the Proceeds from Transfer of Shares (Cai Shui Zi [1998] No. 61) (“Circular No. 61”) jointly issued by the MOF and the SAT on March 30, 1998, since January 1, 1997, the income from the transfer of shares in listed companies by individuals continues to be subject to temporary exemption of individual income tax. Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Catalog of Individual Income Tax Preferential Policies Remaining in Force, which was issued by the MOF and the SAT on December 29, 2018, Circular No. 61 will remain in force.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law and its implementing regulations, non-resident enterprises that have not established an institution or place of business within China, or that have established such an institution or place of business but whose income derived from within China has no real connection with that institution or place of business, shall pay a 10% enterprise income tax on their income derived from within China (including gains from the sale of equity interests in Chinese resident enterprises). The enterprise income tax payable by a non-resident enterprise shall be withheld at source, and the payer of the income shall withhold the income tax from the amount to be paid to the non-resident enterprise. The tax may be reduced or exempted under tax treaties or arrangements for the avoidance of double taxation.

Tax Policies of Shanghai-Hong Kong Stock Connect

Pursuant to the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Tax Policies Concerning the Pilot Program for the Shanghai-Hong Kong Stock Connect Mechanism (Cai Shui [2014] No. 81), issued on October 31, 2014, and effective on November 17, 2014, regarding dividends earned by Mainland individual investors through the Shanghai-Hong Kong Stock Connect program on H-shares listed on the Hong Kong Stock Exchange, H-share companies shall apply to China Securities Depository and Clearing Corporation Limited (“CSDC”). CSDC shall provide the H-share companies with a register of Chinese Mainland individual investors, and the H-share companies shall withhold individual income tax at a rate of 20%. Dividend income earned by Chinese Mainland enterprise investors through the Shanghai-Hong Kong Stock Connect program on stocks listed on the Hong Kong Stock Exchange shall be included in their total income and subject to enterprise income tax in accordance with the law. Dividend income earned by Chinese Mainland resident enterprises from H-shares held continuously for 12 months or more is exempt from enterprise income tax in accordance with the law. H-share companies do not withhold income tax on dividends for their Chinese Mainland enterprise

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

investors. The tax liability must be declared and paid by the enterprise investors themselves. Pursuant to the Announcement on the Continuation of Individual Income Tax Policies Concerning the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Mechanisms and the Mutual Recognition of Funds between the Mainland and Hong Kong, promulgated and implemented on August 21, 2023, capital gains derived by Mainland individual investors from the transfer of stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect will continue to be temporarily exempt from individual income tax until December 31, 2027.

STAMP DUTY

According to the Stamp Duty Law of the People’s Republic of China promulgated on June 10, 2021 and effective from July 1, 2022, PRC stamp duty applies only to entities and individuals that execute taxable certificates or conduct securities transactions within the territory of the PRC, or entities and individuals that execute taxable certificates outside the PRC to be used within the PRC. Therefore, the provisions regarding the levy of stamp duty on the transfer of shares of PRC listed companies do not apply to the purchase and disposal of H Shares by non-PRC investors outside the PRC.

ESTATE DUTY

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

MAJOR TAXES OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People’s Republic of China (the “EIT Law”) approved by the National People’s Congress on March 16, 2007, last amended on December 29, 2018 and effective from the same date, and the Implementation Regulations of the Enterprise Income Tax Law of the People’s Republic of China (the “Implementation Regulations”) promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and effective from January 20, 2025, enterprises legally established in the PRC or established in accordance with the laws of foreign countries (regions) but whose de facto management bodies are located within the PRC are considered resident enterprises. Resident enterprises shall pay enterprise income tax at a rate of 25% on their income derived from both within and outside the PRC. Qualified small and micro-profit enterprises are subject to a reduced enterprise income tax rate of 20%, and high and new technology enterprises supported by the state are subject to a reduced enterprise income tax rate of 15%.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Value-Added Tax

According to the Provisional Regulations on Value-Added Tax of the People’s Republic of China promulgated by the State Council on December 13, 1993, last amended and implemented on November 19, 2017 and to be repealed as of January 1, 2026, entities and individuals engaged in the sale of goods, provision of processing, repair and replacement services, sale of services, intangible assets and real estate, and the importation of goods within the territory of the PRC are taxpayers of value-added tax (“VAT”). Unless otherwise provided by law, the tax rate is 17% for taxpayers selling goods, services, tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, real estate leasing services, selling real estate, transferring land use rights, or selling or importing specific goods; and 6% for taxpayers selling services or intangible assets unless otherwise provided by law. For domestic entities and individuals selling services and intangible assets across borders within the scope prescribed by the State Council, the tax rate is 0%. For the export of goods, the tax rate is 0% unless otherwise provided by the State Council.

According to the Value-Added Tax Law of the People’s Republic of China approved by the Standing Committee of the National People’s Congress on December 25, 2024 and effective from January 1, 2026, entities and individuals (including individual industrial and commercial households) selling goods, services, intangible assets and real estate, and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the law. Unless otherwise provided by law, the tax rate is 13% for taxpayers selling goods, processing, repair and replacement services, tangible movable property leasing services, and importing goods; 9% for taxpayers selling transportation, postal, basic telecommunications, construction, real estate leasing services, selling real estate, transferring land use rights, or selling or importing specific goods; and 6% for taxpayers selling services or intangible assets. For the export of goods by taxpayers, the tax rate is 0% unless otherwise provided by the State Council. For domestic entities and individuals selling services and intangible assets across borders within the scope prescribed by the State Council, the tax rate is 0%.

According to the Notice on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax jointly issued by the Ministry of Finance and the State Taxation Administration on March 23, 2016, the pilot program of replacing business tax with VAT is implemented nationwide effective from May 1, 2016. All business tax taxpayers in industries such as construction, real estate, finance, and consumer services are included in the scope of the pilot program and are subject to VAT instead of business tax.

According to the Notice on Policies Regarding Simplifying and Consolidating Value-Added Tax Rates jointly issued by the Ministry of Finance and the State Taxation Administration on April 28, 2017, the structure of VAT rates is simplified and consolidated effective from July 1, 2017, the 13% VAT rate is removed, and the scope of goods applicable to the 11% VAT rate and the provisions on input tax credit are clarified.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

According to the Notice on Adjusting Value-Added Tax Rates jointly issued by the Ministry of Finance and the State Taxation Administration on April 4, 2018, effective from May 1, 2018, for taxpayers engaged in VAT taxable sales activities or importation of goods, the original tax rates of 17% and 11% are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the Value-Added Tax Reform jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, for VAT general taxpayers engaged in VAT taxable sales activities or importation of goods, the original tax rate of 16% is adjusted to 13%, and the original tax rate of 10% is adjusted to 9%.

According to the Announcement on Further Increasing the Implementation of the Policy for the Refund of End-of-Period Excess Input VAT Credits jointly issued by the Ministry of Finance and the State Taxation Administration on March 21, 2022, effective from April 1, 2022 and to be repealed as of September 1, 2025, qualified enterprises in manufacturing and other industries may apply to the competent tax authorities for the refund of incremental excess input VAT credits starting from the tax declaration period in April 2022. Taxpayers who have enjoyed VAT refund policies such as “refund upon collection” or “refund after collection” since April 2019 may apply for the refund of end-of-period excess input VAT credits, provided that such taxpayers must return all VAT refunds received since April 2019 to the relevant tax authorities in a lump sum before October 31, 2022.

According to the Announcement on Improving the Policy for the Refund of End-of-Period Excess Input VAT Credits jointly issued by the Ministry of Finance and the State Taxation Administration on August 22, 2025 and effective from September 1, 2025, qualified VAT general taxpayers may apply to the competent tax authorities for the refund of end-of-period excess input VAT credits in accordance with regulations starting from the VAT declaration period in September 2025.

Transfer Pricing

According to the Tax Collection and Administration Law of the People’s Republic of China approved by the Standing Committee of the National People’s Congress on September 4, 1992 and last amended on April 24, 2015, and its implementation rules, as well as the EIT Law and its Implementation Regulations, related party transactions shall comply with the arm’s length principle. If a related party transaction fails to comply with the arm’s length principle and results in a reduction of the enterprise’s taxable income, the tax authorities have the right to make reasonable adjustments within ten years from the tax year in which the non-compliant related party transaction occurred.

According to the Announcement of the State Taxation Administration on Matters Relating to Improving the Administration for Reporting of Related Party Transactions and Submission of Contemporaneous Documentation promulgated on June 29, 2016, enterprises whose related party transaction amounts exceed the prescribed thresholds shall prepare contemporaneous documentation for their related party transactions for each tax year and submit it to the tax authorities as required.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

PRC FOREIGN EXCHANGE CONTROL

Renminbi is the lawful currency of the PRC. The State Administration of Foreign Exchange (“SAFE”) is a state bureau managed by the People’s Bank of China and is responsible for managing matters related to foreign exchange, including the implementation of foreign exchange management under the capital account in accordance with the law.

According to the Regulations of the People’s Republic of China on Foreign Exchange Control amended by the State Council and effective from August 5, 2008, all international payments and transfers are classified into the current account and the capital account. The PRC does not impose restrictions on international payments and transfers under the current account. Foreign exchange income under the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant state regulations. Foreign exchange income under the capital account shall be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange upon the approval of the foreign exchange administrative authorities, unless no approval is required under state regulations.

According to relevant PRC laws and regulations, when PRC enterprises (including foreign-invested enterprises) require foreign exchange for transactions under the current account, they may pay with their own foreign exchange or purchase foreign exchange from financial institutions engaged in the settlement and sale of foreign exchange by presenting valid documents, without the approval of SAFE. Foreign-invested enterprises that need to distribute profits to their shareholders in foreign exchange and PRC enterprises that are required to pay dividends in foreign exchange according to regulations may make such payments from their foreign exchange accounts or at designated foreign exchange banks pursuant to board resolutions on profit distribution.

According to the Decision of the State Council on Canceling and Adjusting a Batch of Administrative Examination and Approval Items and Other Matters promulgated and by the State Council on and effective from October 23, 2014, the administrative approval by SAFE and its branches for the repatriation and settlement of foreign exchange of funds raised overseas by companies listed overseas has been canceled.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing promulgated by SAFE on December 26, 2014 and to be repealed on April 1, 2026, a domestic company shall complete the registration procedures for overseas listing with the local branch of SAFE at its place of registration within 15 business days after the completion of its overseas offering. Funds raised by a domestic company from overseas listing may be repatriated to the PRC or deposited overseas, and the use of such funds shall be consistent with the contents disclosed in the prospectus, bond offering circular, shareholder circular, or resolutions of the board of directors or general meetings.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Management Policies for the Settlement of Foreign Exchange under the Capital Account promulgated by SAFE on June 9, 2016, domestic institutions are entitled to settle their foreign exchange income under the capital account (including funds repatriated from overseas listing) based on actual business needs and may handle the settlement with banks at their discretion in accordance with relevant policies. The ratio of voluntary settlement of foreign exchange income under the capital account for domestic institutions is temporarily set at 100%. SAFE may adjust the aforementioned ratio in due course based on the balance of payments situation.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Management of Funds for Overseas Listing by Domestic Enterprises issued by the People’s Bank of China and SAFE on December 24, 2025 and to be effective from April 1, 2026, after the implementation of the notice, the People’s Bank of China, SAFE, and their branches shall implement supervision, management, and inspection of business registration, account opening and use, cross-border payments and receipts, and currency exchange involved in the overseas listing of domestic enterprises. A domestic enterprise listing overseas shall, within 30 business days after the first trading day of its overseas listing or the completion of over-allotment, apply to a bank within the provincial/municipality with independent planning status of its place of registration to handle overseas listing registration with the required materials.

HONG KONG TAXATION

Dividend Taxation

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profits Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares effected on the Stock Exchange.

Capital gains from the sale of H Shares that are derived from outside Hong Kong but received in Hong Kong by a member of a MNE Group (as defined under the Inland Revenue Ordinance (Cap. 112) (“**IRO**”) carrying on a trade, profession or business in Hong Kong, may be chargeable to Hong Kong profits tax if the member does not carry on specified economic activities (as defined under the IRO) in Hong Kong. Tax exemption and relief for foreign tax imposed on the gain may apply where specific conditions are met.

Trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

unincorporated businesses. A concessionary tax rate at half of the applicable tax rate may apply to the first HK\$2 million of assessable profits of corporations or unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Hong Kong has also enacted the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 to implement a domestic minimum top-up tax at a minimum rate of tax of 15%. For all fiscal years commencing on or after 1 January 2025, income of a constituent entity of an in-scope MNE group that is located in Hong Kong may also be subject to top-up tax.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% 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 0.20% 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.

Estate Duty

Pursuant to the Revenue (Abolition of Estate Duty) Ordinance 2005, estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after February 11, 2006.