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**ZHONGTIAN INTERNATIONAL LIMITED**  
**中天國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 02379)**

**VOLUNTARY ANNOUNCEMENT**

This announcement is made by Zhongtian International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholder of the Company (the “**Shareholders**”) and potential investors that, Qingdao Zhongtian Software Park Co., Ltd.\* (青島中天軟件園有限公司) (“**Software Park**”), a subsidiary of the Company, received telephone and verbal notifications from the Qingdao Tax Bureau in late October 2018, which requested Software Park to provide information and cooperate with the Qingdao Tax Bureau in its investigation on tax-related matters concerning Software Park for the period between 1 October 2015 and 10 June 2018. On 25 December 2018, Software Park further received the Inquiry Notice officially issued by the Qingdao Tax Bureau.

The Company hereby provides the following brief and explanation regarding the background information of the above-mentioned investigation on tax-related matters:

Software Park and Jinku Business Investment Co., Ltd.\* (錦庫商業投資有限公司) (“**Jinku**”) entered into a lease agreement on 26 October 2015 for leasing of the premises and facilities owned by Software Park and located at No. 38 Shandongtuo Road, Laoshan District, Qingdao City. The term of the lease was 3 years, commencing from 1 January 2016 to 31 December 2018, with a rental of RMB40,262,203.58 per annum.

As the policy collecting value-added tax in lieu of business tax was implemented during the term of the lease, according to the relevant regulations, generally tax payers need to pay tax according to the previous rate of business tax (i.e. 5% tax rate) for the rental income generated before 30 April 2016; and tax payers can opt for the previous rate of business tax, or pay tax in accordance with the newly applicable value-added tax with the tax rate of 11% by issuing value-added tax invoice for the rental income generated on or after 1 May 2016.

Software Park and Jinku have been in disagreement as to the type of invoice regarding the rental income generated on and after 1 May 2016. Software Park wants to maintain the previous business tax rate (i.e. 5% tax rate) and issue invoices based on it; while Jinku wants to apply the tax rate of the newly applicable value-added tax for issuing invoices, so as to facilitate its subsequent value-added tax deduction. As the two parties have not been able to reach an agreement on the above matter, Software Park has not yet issued the relevant invoices to Jinku, and therefore has not yet paid the relevant tax as well.

After receiving the notifications, the Company and Software Park have been actively cooperating with the Qingdao Tax Bureau regarding its investigation. After completing the investigation, the Qingdao Tax Bureau will issue an official written notice to Software Park informing the latter the investigation result.

The Company has also engaged PRC lawyers to assess the potential impacts on the Company resulting from the above-mentioned tax investigation. Having taken into account the latest development of the aforesaid investigation and the PRC legal opinion, the Board takes the view that such a tax investigation currently does not result in a significantly negative impact on the operation and/or financial status of the Company.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Zhongtian International Limited**  
**Chen Dezhao**  
*Chairman*

Qingdao City, Shandong Province, the PRC, 10 January 2019

As at the date of this announcement, the Board comprises:

*Executive Directors:* Mr. Chen Dezhao (*Chairman*)  
Mr. Chen Jun

*Independent non-executive Directors:* Mr. Cui Haitao  
Ms. Chan Chak Kwan  
Mr. Liu Jin Lu

\* *For identification purpose only*