

PART A WITHHOLDING TAX

Dividend Distribution

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” (the “**Enterprise Income Tax Law**”), “Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management” and “Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies”, the Administration of Local Taxation of Shenzhen Municipality issued an approval under which the Company is regarded as a Chinese Resident Enterprise, effective from the year 2013.

Pursuant to the Enterprise Income Tax Law and the “Implementation Regulations for the Enterprise Income Tax Law of the People’s Republic of China”, the Company is required to withhold and pay 10% enterprise income tax when it distributes the 2013 final dividend and dividends in subsequent years to its non-resident enterprise shareholders.

Non-resident Enterprise Shareholders

Pursuant to Article 3 of the Enterprise Income Tax Law, where a non-resident enterprise has not set up any institutions or establishments in the People’s Republic of China (the “**PRC**”), or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall pay tax on the portion of its income generated from inside the PRC. The dividend income received by shareholders of the Company in Hong Kong who are not individuals falls under such category, hence, such shareholders have an obligation to report and pay the relevant amount of enterprise income tax to the relevant PRC tax authority. According to relevant tax laws, the Company (as payer of the dividend) is obligated to withhold and pay the enterprise income tax to the relevant PRC tax authority as the withholding agent.

In respect of all shareholders whose names appear on the Company’s register of members as at the relevant record date who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the dividend after deducting an enterprise income tax of 10%.

If any resident enterprise (as defined in the Enterprise Income Tax Law) listed on the Company’s register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC based de facto management body, does not desire to have the Company withhold and pay the 10% enterprise income tax, it shall lodge with Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar, documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend that it is entitled.

Natural Person Shareholders

The Company will not withhold and pay the income tax in respect of the dividend payable to any natural person shareholders whose names appear on the Company's register of members as at the relevant record date.

With respect to individual investors of Shenzhen-Hong Kong Stock Connect who hold shares of the Company through HKSCC Nominees Limited, Hong Kong Securities Clearing Company Limited will pay the amount of the dividend net of the 10% enterprise withholding tax to China Securities Depository and Clearing Corporation Limited for dividend distribution in accordance with relevant requirements under Notice Regarding Tax Policies Related to the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《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（財稅[2016]127號）》) jointly published by the Ministry of Finance of the PRC, State Administration of Taxation of the PRC and China Securities Regulatory Commission.