

Tax Guide

PR China

Tax points

Grant Matched Shares: No income tax.

Matched Shares Vesting: Income tax

Sale by participant: Capital gains tax on increase in value since vesting or purchasing.

Award dividend by Company: income tax.

Income tax rates - Matched Shares Vesting

Income is subject to the comprehensive progressive tax rates, and the tax calculation is separate from monthly wage and salaries income.

Level	Annual Taxable Income (CNY*)	Rate (%)	Quick deduction (CNY*)
1	Up to 36,000	3	0
2	Between 36,000 and 144,000	10	2,520
3	Between 144,000 and 300,000	20	16,920
4	Between 300,000 and 420,000	25	31,920
5	Between 420,000 and 660,000	30	52,920
6	Between 660,000 and 960,000	35	85,920
7	Over 960,000	45	181,920

*Chinese Yuan (Renminbi)

Individual income tax would be withheld and paid on your behalf by your local employer, and the tax payment would be deducted from your net payroll upon the annual vest in June.

Income tax rate - Sales of Shares	<p>Capital gains on increase in share value since vesting or purchasing is subject to 20% individual income tax (财产转让所得).</p> <p>Participants are obliged to declare and pay the applicable individual income tax during the annual individual income tax filing period (1st March to 30th June of the following year).</p>
Income tax rate - Dividend	<p>Dividend income is subject to 20% income tax (利息、股息、红利所得).</p> <p>Participants are obliged to declare and pay the applicable individual income tax during the annual individual income tax filing period (1st March to 30th June of the following year).</p>
Tax Consultation	<p>For any doubt or queries in individual income tax, participants are advised to seek tax advice from the local in-charge tax office (Helpline: area code+12366) or local individual income tax advisor.</p>