



**The Stock Exchange of Hong Kong Limited**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: MD20110704-025

4 July 2011

To: Main Board Listed Issuer (Attn: Authorised Representative)  
GEM Listed Issuer (Attn: Authorised Representative)

Dear Sirs

**Tax arrangements on dividends paid to Hong Kong residents by Mainland companies**

We refer to recent developments about tax arrangements on dividends paid to Hong Kong residents by Mainland companies. For your information, we enclose copies of:

1. a letter of 28 June 2011 (in Chinese) from the State Administration of Taxation to the Hong Kong Inland Revenue Department, of which we have been asked to send you a copy; and
2. a press release of today issued by the Hong Kong SAR Government.

We remind you to keep shareholders informed of details of any dividend arrangements.

Yours faithfully  
For and on behalf of  
The Stock Exchange of Hong Kong Limited

*[Signed]*

Mark Dickens JP  
Head of Listing

Encl.

香港税务局局长办公室

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香港特别行政区税务局副局长

黄权辉

黄先生：

6月21日函悉。现就内地在港上市企业派发股息红利涉及执行两地《安排》事，回复如下：

根据两地《安排》，香港居民个人从内地在港上市企业取得的股息应适用于《安排》规定的10%税率。虽然《国家税务总局关于印发〈非居民享受税收协定待遇管理办法（试行）〉的通知》（国税发〔2009〕124号）规定，境外居民个人享受相关税收优惠时应由本人或书面委托代理人提出申请并办理相关手续，但鉴于我们对外签署的大部分税收协定及两地税收安排规定的相关股息税率一般为10%，并考虑到股票持有者众多，为简化税收征管，我们拟采取简便处理方式。即，在香港发行股票的境内非外商投资企业派发股息红利时，一般可按10%税率扣缴个人所得税，无需办理申请事宜。但如果从内地在港上市企业取得股息红利的个

人为其他国家居民并其所在国与中国税收协定股息税率低于10%或高于10%的，应执行具体协定税率。如：

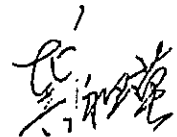
1. 取得股息红利的个人为低于10%税率的协定国家居民，扣缴义务人可按国税发[2009]124号文的规定，代为办理享受有关协定待遇申请，经主管税务机关审核批准后，对多扣缴税款予以退还；

2. 取得股息红利的个人为高于10%低于20%税率的协定国家居民，扣缴义务人派发股息红利时应按协定实际税率扣缴个人所得税，无需办理申请事宜。

对取得股息红利的个人为与我国没有税收协定国家居民及其他情况，扣缴义务人派发股息红利时应按20%税率扣缴个人所得税。

感谢对我司工作的支持！

国家税务总局国际税务司 司长



2011/06/28

## Press Releases

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Tax arrangements on dividends paid to Hong Kong residents by  
Mainland companies clarified

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The Financial Services and the Treasury Bureau today (July 4) said that the Hong Kong Special Administrative Region Government has received a reply from the State Administration of Taxation that clarified the arrangements concerning the tax payable to the Mainland for dividends paid by Mainland companies to individual investors in Hong Kong.

A spokesman for the Financial Services and the Treasury Bureau said, "The reply of the State Administration of Taxation notes that when non-foreign investment companies of the Mainland which are listed in Hong Kong distribute dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10% with reference to the arrangement for the avoidance of double taxation signed between Mainland China and Hong Kong. They do not have to make any applications for entitlement to the above-mentioned tax rate.

"For shareholders who are residents of other countries and whose home countries have reached an agreement with China on an applicable withholding tax rate higher or lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividends paid by Mainland companies listed in Hong Kong."

The spokesman said that the Stock Exchange of Hong Kong Limited will issue a letter to listed companies to inform them of the above-mentioned tax arrangements concerning dividends paid by Mainland companies.

Ends/Monday, July 4, 2011

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