

The 1 + 1 Sharing in Our Future Plan Employee Tax Information – Hong Kong

When you participate in the 1 + 1 Sharing in Our Future Plan there are tax consequences. The purpose of this note is to provide you with some information about the tax position in the country in which you work.

Your Purchased Shares

Whilst it is very important that you read all the details below, in overview it is unlikely that you will have to take any actions in respect of the taxation of your Purchased Shares.

Date	Action	Any tax consequences for you?
By 20 November 2020	Joining the Plan	No
January 2021	Contribution made	No Contributions are made from your after tax personal funds.
July 2021	Buying your Purchased Shares	No
Anytime	Selling your Purchased Shares	No Capital gains are not taxable in Hong Kong.

Your Matching Shares

It is important that you read all the details below as it is likely that you will have to take action in respect of the taxation of your Matching Shares.

Date	Action	Any tax consequences for you?
July 2021	Award of Matching Shares	No
July 2022	Ownership of Matching Shares transferred to you	Yes <p>You will be subject to Salaries Tax on the market value of your Matching Shares when ownership of them transfers to you in July 2022.</p> <p>You have an obligation to submit an annual Income Tax Return to the Hong Kong Inland Revenue Department ("IRD"). You should report the taxable amount of your Matching Shares together with your other income on the tax return. You should convert the value of your Matching Shares into HKD using the average exchange rate on the IRD website for the date when ownership transfers to you.</p> <p>An income tax return is usually issued by the IRD at the beginning of May following the end of the Salaries Tax year. You should file the return with the IRD within one month from being issued it. Tax is due directly to the IRD on or before the dates stipulated on the notice of assessment which is issued to you by the IRD after your tax return has been submitted. Generally tax is payable in two instalments in January and April of the following year, but this will depend upon your individual facts and circumstances.</p>
After July 2022	Selling your Matching Shares	No <p>Capital gains are not taxable in Hong Kong.</p>

Your Dividend Purchased Shares

Whilst it is very important that you read all the details below, in overview it is unlikely that you will have to take any actions in respect of the taxation of your Dividend Purchased Shares.

Date	Action	Any tax consequences for you?
Between July 2021 and July 2022	Award of Dividend Purchased Shares	No Dividends are not taxable in Hong Kong.
After July 2022	Future dividend payments	No Dividends are not taxable in Hong Kong.
Anytime	Sale of Dividend Purchased Shares	No Capital gains are not taxable in Hong Kong.

Your Dividend Matching Shares

It is important that you read all the details below as it is likely that you will have to take action in respect of the taxation of your Dividend Matching Shares.

Date	Action	Any tax consequences for you?
Between July 2021 and July 2022	Award of Dividend Matching Shares	<p style="text-align: center;">No</p> <p style="text-align: center;">No tax is due when you are awarded your Dividend Matching Shares.</p>
July 2022	Ownership of Dividend Matching Shares	<p style="text-align: center;">Yes</p> <p>You will be subject to Salaries Tax on the market value of your Dividend Matching Shares when ownership of them transfers to you in July 2022.</p> <p>You have an obligation to submit an annual Income Tax Return to the IRD. You should report the taxable amount of your Dividend Matching Shares together with your other income on the tax return. You should convert the value of your Dividend Matching Shares into HKD using the average exchange rate on the IRD website for the date when ownership transfers to you.</p> <p>An income tax return is usually issued by the IRD at the beginning of May following the end of the Salaries Tax year. You should file the return with the IRD within one month from being issued it. Tax is due directly to the IRD on or before the dates stipulated on the notice of assessment which is issued to you by the IRD after your tax return has been submitted. Generally tax is payable in two instalments in January and April of the following year, but this will depend upon your individual facts and circumstances.</p>
After July 2022	Selling your Dividend Matching Shares	<p style="text-align: center;">No</p> <p style="text-align: center;">Capital gains are not taxable in Hong Kong.</p>

Important information

The information in this document assumes that you remain employed by Kingfisher and that you are resident and domiciled in Hong Kong for taxation purposes during the period of your award under the Plan.

If you are an internationally mobile employee and/or have transferred countries in this period, you may be subject to tax in more than one country and you may have reporting obligations in more than one country.

Further details regarding the treatment for leavers will be provided at the relevant time.

The information in this document is based on prevailing tax law and practice as at May 2022 and may be subject to change. Your taxation depends on your personal circumstances. Accordingly, you should seek your own tax advice if you are in any doubt about your own tax position.