

KERRY EXPRESS FINANCE MANUAL

16. TAXATION POLICY

16.1 PURPOSE

- 16.1.1 To ensure proper tax filing and reporting is done by each Group Company.
- 16.1.2 To ensure the financial figures reported to the tax authority is reconcilable to the audited account and the financial package submitted to regulators. Group company will not use the wrong practice illegitimate tax structure that results in tax avoidance. Utilisation the privilege from the Tax Incentive legally as provided by the required law.

16.2 SCOPE

- 16.2.1 Applicable to all Group Companies which are required to file value added tax, business tax or/ and income tax to their respective local tax authority.

16.3 PROCEDURE

Tax filing

- 16.3.1 Local F&A Heads shall ensure timely and proper tax filing to the local tax authority according to local requirement.
- 16.3.2 All monthly/ quarterly/ annual tax reports, whenever applicable, filed to the local tax authority should be reconciled to the figures reported in the finance package. A format of reconciliation statement is prepared in Appendix 16.4.1. Government agencies may from time to time request the Local F&A Heads to submit the tax reconciliation statement for review purpose.
- 16.3.3 Draft annual tax reports shall be reviewed by CFO, together with a reconciliation to the financial package/ audited accounts, prior to the filing. Local F&A Heads shall send the draft reports to CFO for review at least 2 weeks prior to the filing deadline.
- 16.3.4 All transfer pricing documentation submitted to local tax authority shall be reviewed by CFO before submission.

Reporting

- 16.3.5 Local F&A Heads shall ensure the "Taxation & Deferred Taxation" schedule included in the monthly finance package are properly filled in every month

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Others

- 16.3.6 Local F&A Heads are responsible for updating the CFO regarding any new tax laws which may have impact to the Group, including but not limiting to transfer pricing documentation requirement and relevant withholding tax rates for inter-country transactions; and shall make suggestion to CFO as when necessary.

16.4 APPENDIX

- 16.4.1 Format of tax reconciliation statement.
- 16.4.2 Format of reporting deferred taxation in financial package