

Taxation of the United Kingdom

The comments below are a general guide only, based on tax law and practice in force as at the date of this document that may be subject to changes or revisions. They relate only to certain limited aspects of the tax position of United Kingdom (“UK”) resident shareholders of the Company and may not apply to certain classes of shareholders. This section is not intended to be and should not be construed as legal or tax advice to any particular shareholder. If you are in any doubt as to your tax position you should consult an appropriate professional advisor.

Shareholders of the Company who are resident in the UK will generally be subject to UK income tax or corporation tax on the gross amount of dividends paid by the Company, but will normally be entitled to a credit against such UK income tax or corporation tax for any PRC withholding tax charged on the dividend.

Under the current double taxation treaty between PRC and UK, shareholders of the Company who are resident in the UK will generally be entitled to a reduced rate of PRC withholding tax on dividends paid to them by the Company, on making an application to the appropriate PRC tax authority (details of which can be obtained from such shareholders’ respective UK tax offices).

Furthermore, corporate shareholders of the Company who are resident in the UK and which control (directly or indirectly) at least 10% of the voting rights of the Company will be entitled to credit against UK corporation tax chargeable in respect of dividends paid to them by the Company for any underlying PRC tax payable by the Company in respect of the profits out of which dividends were paid.

If dividends payable to shareholders resident in the United Kingdom are paid through a paying or collecting agent in the United Kingdom, such agent may be required to withhold an amount in respect of United Kingdom tax at the lower rate (currently 20%). Certain United Kingdom tax exempted shareholders may be able to obtain exemption from such withholding on making an appropriate declaration to the agent in the form prescribed by the United Kingdom Inland Revenue.