

Taxation in the United Kingdom

The comments below are a general guide only, based on the 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 shareholders of the Company who are United Kingdom (“UK”) resident, and (if an individual) who are also UK ordinarily resident and domiciled and who hold shares in the Company as an investment, not as a share dealer or financial trader (“Relevant 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.

Relevant Shareholders 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 the PRC and the UK, Relevant Shareholders will generally be entitled to a reduced rate of PRC withholding tax on dividends paid to them by the Company (details of which can be obtained from such shareholders’ respective UK tax offices). Individual shareholders with a less than 10% shareholding in the company will also be entitled to a non-payable tax credit of one ninth of the distribution (if it is made after 5th April 2008).

Furthermore, corporate Relevant Shareholders who control (directly or indirectly) at least 10% of the voting rights of the Company may 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.

Relevant Shareholders will be subject to UK taxation of chargeable gains on any gain on a disposal of shares, as computed for the purposes of such tax.

