

U.K. TAXATION

The following summarises certain U.K. tax consequences of the ownership and disposal of the Shares and is intended as a general guide to the position under current U.K. law and published Inland Revenue practice and is therefore subject to change. The comments under this heading relate only to U.K. tax and only address the position of beneficial owners of Shares who are not resident (and, in the case of individuals, not ordinarily resident) in the U.K. and who hold their Shares as investments (otherwise than under any scheme which benefits from special tax exemptions) and not as trading stock.

Taxation of Dividends

The Company is not required to withhold tax at source from dividend payments.

When the Company pays a dividend, an amount equal to one-ninth of the amount of the dividend is generally allowed as a credit (the "Tax Credit") against the U.K. tax liability of individuals who receive (or who are treated as receiving) the dividend and who are resident in the U.K. for U.K. tax purposes or who are entitled to (and claim) the personal reliefs given to individuals who are not resident in the U.K. and who are Commonwealth citizens or Crown employees or fall within certain other categories.

Otherwise, the right of a holder of Shares who is not resident (for U.K. tax purposes) in the U.K. to a Tax Credit from the Inland Revenue in respect of a dividend received from the Company and to claim payment of any part of that Tax Credit from the Inland Revenue will depend on the existence and terms of any double taxation convention between the U.K. and the country in which the holder of the Shares is resident. There is no double taxation convention between the U.K. and Hong Kong.

Any holder of Shares who is not resident in the U.K. should consult his own tax adviser on whether he is entitled to claim any part of the Tax Credit, the procedure for claiming payment and what relief or credit may be claimed in the jurisdiction in which he is subject to taxation.

Taxation of Capital Gains

The sale or other disposal of Shares may give rise to the realisation of a gain or a loss for the purposes of U.K. taxation of chargeable gains.

A holder of Shares who is not resident (and, in the case of an individual, not ordinarily resident) in the U.K. for taxation purposes and who so realises a gain in respect of any Shares will not normally be liable to U.K. taxation unless, at the time of the disposal, the holder of the Shares carries on a trade, profession or vocation in the U.K. through a branch or agency and the Shares are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or such branch or agency. Special rules apply to individuals who are temporarily neither resident nor ordinarily resident in the U.K.

Inheritance Tax

Where Shares are held by a holder who is not domiciled in the U.K., liability to U.K. inheritance tax should not arise on the death of that holder of Shares.

Stamp Duty and Stamp Duty Reserve Tax

Stamp duty or stamp duty reserve tax will generally be payable on a transfer on sale of or on an agreement to transfer Shares registered on the Company's UK Principal Register, normally at the rate of 0.5% of the amount or value of the consideration payable rounded up (in the case of stamp duty) to the nearest £5.

An instrument of transfer of a Share registered on a Hong Kong branch register, unless executed in a part of the United Kingdom, is exempt from stamp duty chargeable in the U.K.

The Inland Revenue has confirmed that there will be no stamp duty or stamp duty reserve tax on the entry to CCASS of Shares on a Hong Kong branch register or on their subsequent settlement and clearance.

HONG KONG TAXATION

The Shares on the Hong Kong branch register are Hong Kong property for the purposes of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) and, accordingly, Hong Kong estate duty may be payable in respect thereof on the death of an owner of Shares. The Directors have been advised that no material liability for estate duty under Hong Kong law would be likely to fall upon the Company or its subsidiaries.

The sale, purchase and transfer of Shares on the Hong Kong branch register are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred.