



China International Capital Corporation (UK) Limited

Tax Strategy

Introduction

China International Capital Corporation Limited (“CICC”), headquartered in China, is an investment bank offering a broad range of financial services. CICC operates in the UK only through China International Capital Corporation (UK) Limited (“CICCUK” or “the Company”), who is regulated by the Financial Conduct Authority (“FCA”), taking on the Equity business which deals in securities on an agency basis only and the Investment Banking business which involves corporate finance advisory service. CICCUK is a wholly owned subsidiary of China International Capital Corporation (Hong Kong) Limited, which is itself a wholly owned subsidiary of CICC.

This tax strategy applies to CICCUK in relation to its attitude to tax risk and planning, how tax risk is managed and its relationship with the UK tax authorities. The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016.

Aim

CICCUK is committed to compliance with all statutory obligations and full disclosure to tax authorities in accordance with all relevant laws and promoting best practice governance over its UK affairs.

Governance in relation to UK taxation

- Ultimate responsibility for CICCUK’s tax strategy and compliance rests with the Board of the Company. The Board ensures that CICCUK’s tax strategy is one of the factors considered in all investments and significant business decisions made.
- Management including CEO is responsible for tax matters and monitor the integrity of CICCUK’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation.
- Day-to-day management of CICCUK’s tax affairs is delegated to the Financial Controller, who reports to the management. The tax team in Financial Control Department is staffed with appropriately qualified individuals.

Risk Management

CICCUK maintains a low risk appetite, where tax risk is defined as the residual risk of non-compliance with tax obligations resulting in financial loss or reputation damage to the Company. We aim to keep tax risks to a minimum through appropriate policies, management and governance.

Our tax team consists of qualified, experienced professionals tasked with managing CICCUK's tax affairs, who also monitors proposed changes in tax law, legislations and government pronouncements to identify any potential impact on the Company. All proposals for new transactions or business lines are assessed by the tax team.

Tax risk assessment undertaken by our tax team consists of an ongoing process of documenting facts and circumstances, reviewing supporting documentation and conducting thorough technical analysis. CICCUK seeks tax advices from external reputable top firms when necessary.

The Company ensures the appropriateness of its accounting and tax records on an ongoing basis to enable us to meet our compliance obligations.

Attitude towards tax planning and level of risk

CICCUK seeks to maximise shareholder value for the wider CICC Group by undertaking legitimate and responsible tax optimisation, in line with the spirit and purpose of the laws. Our approach to tax risk management and tax planning is guided by the following principles:

- Our overarching tax risk management philosophy aims to mitigate any adverse and / or unexpected financial consequences and to protect our reputation.
- We do not engage in tax planning other than that which supports genuine commercial activity.
- We do not engage in or promote tax optimisation transactions, structures or arrangements that might be perceived as aggressive.
- We avoid taking extreme positions in transactions, structures or arrangements that are tax-sensitive and we adopt a cautious approach to any tax risks that cannot be sensibly and accurately evaluated.

CICCUK actively seeks to identify, manage and monitor all tax risks and have in place policies and procedures to ensure that risk are effectively identified, captured, measured and provisioned (where necessary). Where there is significant uncertainty or complexity, external advice may be sought.

Relationship with HMRC

CICCUK aims to maintain a strong and professional relationship and to be transparent in all dealings with HMRC. The Company acts proactively in discussing any issues of concern by

HMRC and makes fair, accurate and timely disclosure in correspondence and tax returns, and respond to queries and information requests in a timely manner.