

CK ASSET HOLDINGS LIMITED

UK TAX STRATEGY

CK Asset Holdings Limited is committed to complying with statutory tax obligations, including payment and reporting of taxes as required by the tax laws and regulations in different jurisdictions. Tax governance and related risk management are the responsibilities of the Executive Committee and internal controls are in place to ensure adherence to established guidelines and principles for taxation. Tax compliance and planning are managed by experienced and qualified staff with assistance of professional advisers where appropriate and necessary.

For business operations carried out in the United Kingdom (“UK”) by the UK subsidiaries, a tax strategy (the “UK Tax Strategy”) has been formulated for guidance and compliance. The UK Tax Strategy is required to be observed by the UK subsidiaries and is reviewed on a regular basis.

The UK Tax Strategy comprises the following four components:

(a) Tax governance arrangement

The UK subsidiaries are committed to complying with tax laws and regulations in the UK. Tax compliance and planning of the UK subsidiaries are the responsibilities of the respective directors and financial controllers of the UK subsidiaries. Tax payments and reporting are managed by local staff with appropriate experience and qualifications. Tax advice and assistance are sought from professional advisers where appropriate and necessary. Significant tax matters are reported to the Executive Committee and instructions are sought where appropriate and necessary.

(b) Relationship with HM Revenue & Customs (“HMRC”)

The UK subsidiaries seek to maintain a transparent and collaborative relationship with HMRC on tax matters and keep HMRC aware of significant transactions and business developments. Communications with HMRC are conducted in a professional and courteous manner.

The UK subsidiaries endeavour to obtain clearance from HMRC at the earliest opportunity on tax treatment of complex transactions or uncertain issues. Discussions with HMRC are held as required to review past, present and future tax matters. Disputed matters are resolved through open discussion and negotiation with HMRC and, where appropriate and necessary, legal opinions on tax position are obtained from professional advisers for further consideration.

(c) Tax planning

Tax consequences are taken into consideration when making commercial decisions. When business transactions are planned and structured to achieve commercial objectives, the UK subsidiaries seek to apply tax incentives, reliefs and exemptions available under tax laws and regulations in the UK. Transaction arrangements that are artificial or without any business substance are prohibited.

The UK subsidiaries are required to have controls and procedures in place that can reasonably detect and prevent the evasion of UK or foreign taxes by its employees or other persons acting on its behalf.

(d) Tax risk management

Commercial decisions are made to maximise after-tax returns whilst complying with laws and regulations in the UK. Staff with appropriate experience and qualifications are engaged in monitoring the compliance risk of taxation of the UK subsidiaries, and where necessary, tax advices from professional advisers are sought to support the decisions and judgements made.

The UK subsidiaries seek to minimise the tax compliance risk, such as submission of late or inaccurate tax returns, by establishing checking and monitoring procedures in the internal control system.

The UK Tax Strategy has been effective for the financial year ending 31 December 2020 and is published for information and compliance with Schedule 19 to Finance Act 2016 in the UK.

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