

## **Zigen Qualified for Tax exemption for Charitable Donations in China**

According to the published announcement of 03/08/2013 by the Ministry of Finance, State Administration of Taxation and the Ministry of Civil Affairs, Zigen qualified for the tax exemption of charitable donations.

The Ministry of Finance, State Administration of Taxation and the Ministry of Civil Affairs confirm this qualification through joint verification.

*According to The Notice by The State Administration of Taxation, the Ministry of Finance and the Ministry of Civil Affairs on the issues of Tax Deductions for Charitable Donations ( Cai Shui [2008] No. 160 ) and The Supplementary Notice by The State Administration of Taxation, the Ministry of Finance and the Ministry of Civil Affairs on the issues of Tax Deductions for Charitable Donations (Cai Shui [2010] No. 45), the social organizations or groups qualified for charitable tax exemption, are to appear in the list provided by the Ministry of Finance, State Administration of Taxation and Ministry of Civil Affairs and the provinces, autonomous regions, municipalities, as well as in each annual list of items separately or jointly planned by cities finance, taxation and civil affairs department. Business or individuals may make charitable donations to the social service organizations, appearing in the list, and may take allowable tax deduction. Business through social service organization using the charitable donations may be allowed to deduct 12% of annual total profit, in calculating taxable income.*