

Application for a Hearing on Administrative Taxation Penalties

To the No. 2 Inspection Department of the Beijing Municipal Audit Bureau:

My company objects to charges brought against it in "Notice on Administrative Taxation Penalties" (No. 2 Inspection Department Tax Auditing Penalties Notice [2011] No. 56) and requests a hearing, based upon the following:

I. The penalties notice claims that from November 29, 2000 through December 31, 2010, my company did not file or pay Business Taxes, City Maintenance and Construction Taxes, or Enterprise Income Taxes on the taxation basis of its actual operating income, and underreported its income in company account books, thereby falsely declaring income and underpaying RMB 492,311.73 in taxes. We object to the information put forward but have no way to engage in a thorough cross-check due to its ambiguity. We therefore request that you provide an itemized detailing of the factual and numerical basis of the above claim and all other relevant evidence;

II. The penalties notice claims that from November 29, 2000 through December 31, 2010, my company issued false invoices and invoices inconsistent with the history of its purchasing unit. We ask that you make explicit the specific invoice numbers so that we may conduct our own self-investigation and make any necessary rectifications in accordance with the requirements of the rectification order (No. 2 Inspection Department Tax Auditing Prescribed Period Rectification Order [2010] No. 32) prior to the deadline specified;

III. The penalties notice claims that when receiving funds related to various fees and projects, the company did not issue invoices to parties from which it received payment, but does not specify to which services this claim pertains. We request a specific list of the operations in question and all of the corresponding data serving to support your claim;

IV. We ask that you return all of the office documents, receipts, account books, account statements, and all other accounting data you now have in your possession so that we may engage in our own investigation of the matter or so that we may hire an independent agency to perform a cross-check.

Beijing Fake Cultural Development Co., Ltd.

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Legal Representative: Lu Qing