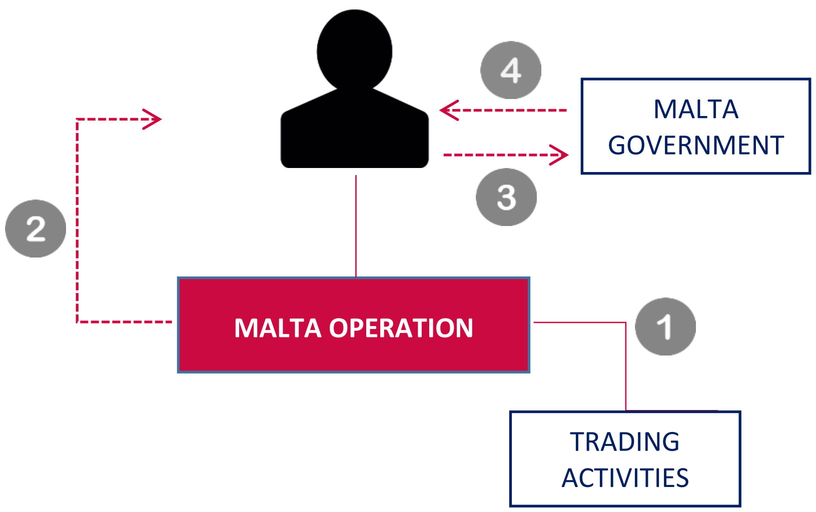
SCENARIO 1: SHARES HELD DIRECTLY BY THE FOREIGN SHAREHOLDER

The corporate income tax rate for a company incorporated in Malta is 35%. However, the effective tax rate incurred by a registered foreign shareholder could be lowered significantly if a refund is claimed upon the distribution of dividend by such company.

The rate of the tax refund which could be claimed by a shareholder could vary due to factors such as:

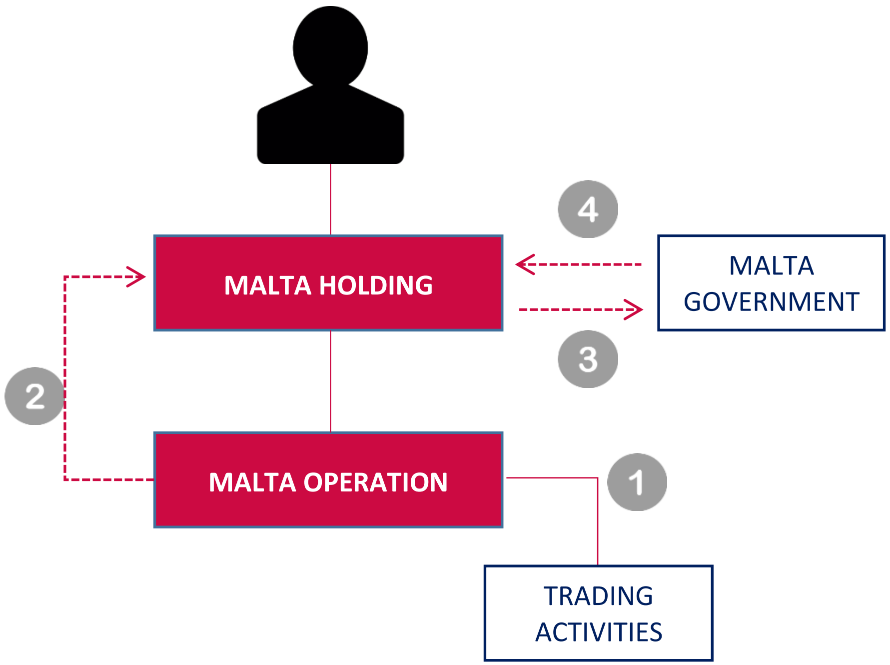
- the nature of the underlying profits out of which the dividend has been distributed; and
- the application of double taxation relief by the Maltese distributing company on the profits distributed.

Generally, a shareholder would become entitled to 6/7ths of the Malta tax originally suffered by the Maltese company on the profits being distributed as dividends.



1. **The Maltese company raises income from its commercial activities and initially suffers 35% tax on these profits.**
2. **The Maltese company distributes the remaining profits (i.e the 65%) to the direct shareholder as dividends.**
3. **The shareholder files a claim for tax refund to the Maltese tax authorities requesting a 6/7th refund of the 35% initially suffered.**
4. **The Maltese tax authorities are bound to pay the refund within a reasonable timeframe by a bank transfer to the shareholder.**

SCENARIO 2: DOUBLE-TIER STRUCTURE



The double-tier structure converts the tax refund which would be taxable as other income in certain countries into dividends.

The above scenario incorporates a Two-tier structure whereby MaltHold (essentially a passive Holding company) holds shares in MaltOp (a trading company). By having a two-tier structure in Malta, the 6/7ths tax refund is not received by the foreign shareholder but rather by MaltHold. Tax implications in the respective jurisdiction would nonetheless need to be verified.