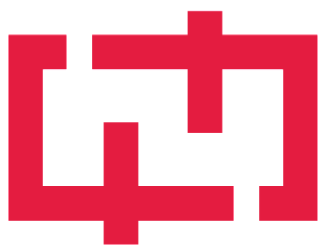


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Australian Taxation Summary

Australia

Lower Ground, 395 Collins Street
Melbourne, Victoria Australia 3000

PO Box 66, Collins Street West
Victoria Australia 8007

Ph: 1300 FILIPPO
Intl: + 61 3 9614 8777
Fax: +61 3 9614 4944

Hong Kong

17/F, Wheelock House
20 Pedder Street
Central, HONG KONG

Ph: +852 3973 6405

www.filippo.com.au



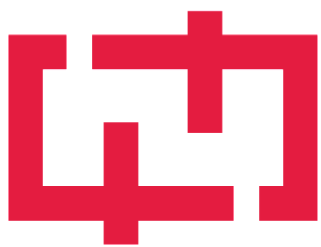
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FEDERAL TAXES	RESIDENT		NON RESIDENT HONG KONG		NON RESIDENT CHINA	
	TAXABLE	RATE	TAXABLE	RATE	TAXABLE	RATE
Income Type						
Salary and Wages	Yes	Marginal [R]	Yes	Marginal [NR]	Yes	Marginal [NR]
Interest Income	Yes	Marginal [R]	Yes	10%	Yes	10%
Dividend Income Franked	Yes	Marginal [R]	No		No	
Dividend Income Unfranked	Yes	Marginal [R]	Yes	30%	Yes	30%
Business Income	Yes	Marginal [R]	Yes	Marginal [NR]	Yes	Marginal [NR]
Rental Property Income	Yes	Marginal [R]	Yes	Marginal [NR]	Yes	Marginal [NR]
Non Australian Income	Yes		No		No	
Capital Gains						
Principle Residence	No		No		No	
Investment real Property	Yes		Yes		Yes	
Shares and other Securities	Yes		No		No	
Unit Trust/Managed Funds	Yes		No		No	
Non Australian Asset	Yes		No		No	

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Notes:

1. Residence / Non Residence

If a person does not reside in Australia within the ordinary meaning of residence then there are four statutory tests to define their residence:

a. Domicile/permanent place of abode

An individual will be considered to be an Australian tax resident where they have their domicile in Australia, unless the Australian Taxation Commissioner is satisfied that their permanent place of abode is outside Australia ('the Domicile Test')

b. Reside Test

Case law provides factors considered indicative of determining whether or not a person resides in Australia including physical presence in Australia, duration of physical presence, term of any employment, the nature of the person's family, business and social ties.

c. 183 day Test

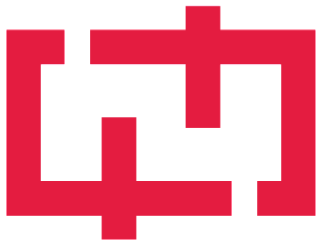
An individual will be considered to be an Australian tax resident where they have actually been in Australia, continuously intermittently during more than one-half of the year of income (i.e. 183 days) unless the Commissioner is satisfied that their usual place of abode is outside Australia and that they do not intend to take up residence in Australia ('the 183 Day Test').

d. Commonwealth Superannuation Test

If the taxpayer is a contributing member (or spouse or child of) of the superannuation fund for Commonwealth Government Officers, then they will potentially be deemed resident.

2. Withholding Tax Rates

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3. Rental Property Income

a) General

As a Non Resident, the investor may still be able to claim deductions to offset against the income (rent) derived. These deductions include decline in value of depreciating assets, maintenance, flights to view, tax return completion fees, interest, plus others. As a matter of general principle, a deduction is available for all losses and outgoing to the extent that they are incurred in gaining or producing assessable income (Rent), although this general rule is subject to some exceptions including expenditure incurred for private capital i.e. renovations.

b) Negative gearing

If the deductions claimed are greater than the income derived (rent), then a loss occurs (i.e. Negative Gearing). Generally speaking, subject to certain criteria being met which are dependant on whether the taxpayer is an individual, company or trust, this loss can be carried forward indefinitely and used to reduce tax in the future.

c) Investment using the borrowings

Interest on debt taken out on an equity portfolio will not be an allowable deduction to the extent that income earned is taxed by withholding rather than assessment at marginal rates. However, if the debt (mortgage) is taken out on a property and the proceeds used to purchase an asset which produces income taxed on an assessment basis then the deduction is allowable so long as certain criteria are met.

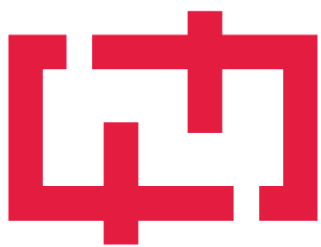
4. Australian Residents are taxed on their worldwide income and gains.

5. Capital Gains Non Resident

The Range of assets on which foreign residents will be subject to Australian capital gains tax will be narrowed to taxable Australian property which includes:

- direct and indirect interests in Australian real property

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- direct and indirect interests in Australian mining, quarrying or prospecting rights
- an asset that has been used at any time in carrying on a business via permanent establishment in Australia
- an option over one of the above
- an asset subject to an election by an individual taxpayer to disregard a capital gain upon ceasing Australian taxation residency.

6. Capital Gain Main Residence

Generally, a capital gain arising from the disposal of a taxpayer's main residence is exempt from CGT. The dwelling must be the main residence of the taxpayer i.e. the taxpayer cannot have another main residence elsewhere in the world. However, if it is rented out, there is a 6 years maximum exclusion period, though after 6 years it reverts to investment status and CGT is levied on a pro-rata basis (note if the property is re-established as a main residence, another maximum period of 6 years would apply).

Residential properties purchased prior to September 1985 are generally free of CGT, again this is subject to particular limitations.

7. At Marginal Rates, through possible CGT concessions may apply.
8. Unless the shares or units constitute taxable Australian property (see 5 above)
9. Resident Individual Tax Rates for 2011//2012 Australian Financial year:

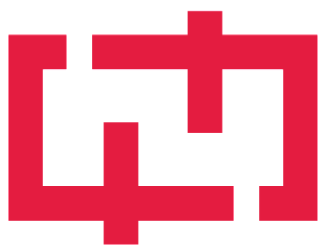
Note a Medicare levy of 1.5% also applies to resident taxpayers.

Non Resident Individual Tax Rates for 2009/2010 Australian Financial year:

10. Foreign Investment Fund [FIF's]

Normally when Australian residents own offshore portfolio investments (i.e. managed funds and direct shares) they would be subject to the foreign investment fund ("FIF") rules which carry a relatively onerous compliance burden. In addition, if an exemption from the rules cannot be found then the individual taxpayer maybe required to include the increase value of the asset in their Australian assessable income notwithstanding that they have not received any distributions.

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Foreign investments of Australian complying superannuation funds are exempt from the FIF rules. One type of Australian complying superannuation fund is a self managed fund where the members are the individual trustees (or directors of the trustee company) and can have an investment portfolio tailored to their specific requirements (subject to various regulatory requirements).

11. Offshore Superannuation

Due to residency requirements it is practically very difficult for an individual who is not an Australian tax resident to establish or retain an Australian complying self managed superannuation fund. An alternative to this for individuals who have not yet taken up Australian residency is to set up a superannuation fund outside of Australia.

Further information on operation of superannuation funds outside Australia can be found in the Superannuation Fund section of this information summary.

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