

12 September 2018

***By Electronic Lodgement***

The Manager  
Company Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

[Plato Income Maximiser Limited \(ASX: PL8\) – Change of Tax Rate](#)

The Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2018 received Royal Assent on 31 August 2018. This legislation has the effect of increasing the corporate tax rate of PL8 to 30%, from its previous tax rate of 27.5%. The legislation applies retrospectively from 1 July 2017.

**Background**

In May 2017 previous legislation was enacted to reduce the corporate tax rate from 30% to 27.5% for companies whose turnover was lower than certain thresholds each financial year. For the 2018 financial year the threshold was \$25 million, and as PL8's turnover was lower than this amount, its corporate tax rate was 27.5%.

The new legislation applies retrospectively to remove PL8's eligibility to the lower 27.5% corporate tax rate, so that a 30% corporate tax rate now applies with effect from 1 July 2017.

**Franking of Dividends**

PL8 commenced paying monthly dividends in October 2017, and the dividends from this date through to August 2018 were franked at 27.5%, being PL8's corporate tax rate applicable at the time.

A consequence of the change in legislation is that these dividends already paid by PL8 will now be franked at 30%, instead of 27.5%.

PL8 will soon contact shareholders with updated dividend information reflecting the 30% rate for dividends paid during the year ended 30 June 2018, and for the two dividends paid during the current 2019 financial year (July / August 2018).

Future dividends paid by PL8, commencing with the September 2018 monthly dividend, will be franked at the 30% corporate tax rate. Based on the current monthly dividend of \$0.005 per share, when franked at 30% the gross dividend yield (i.e. inclusive of franking credits) on current share price<sup>1</sup> increases to 8.2%. This compares with a 7.9% gross yield if franked at the previous 27.5% rate.

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<sup>1</sup> Closing share price at 11 September 2018 of \$1.045

**Example of Impact of Change**

Assuming shareholders receive a dividend of \$100, fully franked at 30%, the franking credit attaching to the dividend would be \$42.86. The same dividend, fully franked at the previous rate of 27.5%, would instead have a franking credit of \$37.93.

**2018 Income Tax Returns**

Shareholders should be aware that the revised franking rates for dividends paid during the year ended 30 June 2018 may impact their 2018 income tax returns. It is advised that shareholders speak to their tax advisor or Australian Taxation Office in relation to applying the change in PL8's franking rate to 30%.

**Net Tangible Assets ('NTA')**

From 31 August 2018 the NTA per share calculated for PL8 will reflect the 30% corporate tax rate. The change in tax rate from 27.5% to 30% did not have a material impact on PL8's NTA per share<sup>2</sup>.

**Calvin Kwok**  
**Company Secretary**

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<sup>2</sup> Note the financial impact of the enactment of the Bill if applied as at 30 June 2018 was included in note 18 of PL8's 2018 annual report.