Friday, 13 December 2019

Company Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Glennon Small Companies Limited (ASX: GC1) – Change of Imputation Rate for Dividend Payment on 18 September 2018

Dear Shareholder,

We are writing to inform you of previous legislation enacted in May 2017 which allowed for the reduction of the corporate tax rate from 30% to 27.5% for companies whose turnover was lower than published thresholds each financial year.

For the 2018 financial year the threshold was $25 million. GC1's turnover was higher than this allowing for the corporate tax rate to remain at 30% for GC1.

The corporate tax rate for imputation purposes is based on the prior year turnover compared against the current year threshold. For the 2019 financial year the threshold increased to $50 million. GC1's turnover for the year ended 30 June 2018 was lower than this amount.

As a consequence of this legislation, the corporate tax rate for imputation purposes for 2019 financial year is 27.5%.

The interpretation of the legislative change at the time of announcement and payment of the 18 September 2018 dividend resulted in the incorrect franking rate of 30% being applied.

As a result of this change, the June 2018 final dividend of 0.03 cents per share, declared on 17 of August 2018, paid out on 18 September 2018, should be franked at 27.5%, instead of 30%. We have successfully requested the Commissioner of Taxation exercise his discretion to allow GC1 to make this change to the previously issued dividend statements.

We are currently working with our share registry to provide GC1 shareholders with updated dividend information reflecting the 27.5% rate for the dividend paid out on 18 September 2018.

Shareholders should also be aware that the revised franking rates may impact their 2019 income tax returns. It is advised that shareholders speak to their tax adviser or Australian Tax Office in relation to applying the change.

Michael Glennon
Chairman
Glennon Small Companies Limited