

# Home Consortium

17 January 2022

## HOME CONSORTIUM RESTRUCTURE

### TAX INFORMATION FOR HOMECO SECURITYHOLDERS WHO DO NOT CHOOSE CGT ROLL-OVER RELIEF

On 24 December 2021, Home Consortium (**HomeCo**) undertook a restructure from a stapled company structure (comprising Home Consortium Limited (**HCL**) and Home Consortium Developments Limited (**HCDL**)) to a single company structure, resulting in HCL becoming the sole parent company of the HomeCo group (the **Restructure**).

A general guide to the Australian tax implications of the Restructure is contained within Section 5 of the Shareholder Booklet in relation to the Restructure. The Shareholder Booklet is available on the HomeCo website [www.hmccapital.com.au](http://www.hmccapital.com.au).

On implementation of the Restructure, HomeCo shareholders disposed of their HCDL shares to HCL in exchange for approximately 1.65 HCL shares for each HCDL share held on 17 December 2021 (the record date for the Restructure).

The information provided below is to assist those HomeCo shareholders who do not or cannot choose capital gains tax (**CGT**) roll-over relief, to determine the capital proceeds for their HCDL shares for the purposes of ascertaining the CGT consequences of the Restructure.

HomeCo shareholders who choose CGT roll-over relief in respect of the disposal of their HCDL shares can disregard the information provided below.

The capital proceeds received by HomeCo shareholders for the disposal of their HCDL shares should be the market value of the HCL shares received, determined as at 24 December 2021. On 24 December 2021, HCL shares were already trading on the Australian Securities Exchange on a post-Restructure basis. Accordingly, the HCL share price data on 24 December 2021 should be adjusted to take into account the effect of the Restructure.

In this regard:

- the 1-day volume weighted average price of HCL shares on 24 December 2021, traded on a post-Restructure basis was \$7.917223; and
- the exchange ratio of approximately 1.65 HCL shares for each HCDL share should be regarded as a reasonable basis to apportion the post-Restructure HCL share price between its pre-Restructure HCL and HCDL components.

**Accordingly, HomeCo considers that the amount of the capital proceeds received by a HomeCo shareholder for the disposal of their HCDL shares should be \$4.929805<sup>1</sup> per HCDL share.**

HomeCo has applied to the Australian Taxation Office (**ATO**) for a class ruling confirming the key income tax implications of the Restructure for HomeCo shareholders. Although it is not expected to be the case, when the class ruling is issued by the ATO it may express a view contrary to that expressed above. When the class ruling is published by the ATO, it will be available on the ATO website at [www.ato.gov.au](http://www.ato.gov.au).

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<sup>1</sup> Calculated as  $\$7.917223 \times (1.6501891222 / 2.6501891222)$