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TA ALERT 2012-08
AUGUST 2012

Technical Accounting Alert

ASX Listing Rule Amendments: Increased placement capacity and revised admission thresholds for small to mid cap enterprises

Introduction

The purpose of this Alert is to provide details of the proposed Australian Securities Exchange (ASX) amendments to its Listing Rules.

Overview

- (a) Capital raisings for mid to small cap listed entities allow up to an additional 10% placement of shares over a 12 month period as from 1 August 2012. Eligible entities are defined as those that have a market capitalisation of \$300 million or less, and are not in the S&P/ASX 300 Index. Shareholder approval is required at the AGM via a Special Resolution. There are limits on any discount being no less than 75% of the market price over a 15 day period.
- (b) Admissions amendments for all listed entities to the spread tests for the minimum number of shareholders required (300 to 400 depending on non-related parties holdings) from 1 November 2012; and
- (c) An increase in the Net Tangible Assets (NTA) test from \$2 million to \$3 million from 1 November 2012.

A copy of the ASX's announcement can be found at:

http://www.asx.com.au/resources/newsletters/companies_update/archive/CompaniesUpdate_20120725_0712_HTML.html

Further information

For further information on any of the information included in this TA Alert, please contact your local Grant Thornton Australia contact or a member of the National Audit Support team at NAS@grantthornton.com.au.

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