


CR 2025/79 - Astron Corporation Limited - scheme of arrangement

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Class Ruling

Astron Corporation Limited – scheme of arrangement

📌 Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for share and option holders in Astron Corporation Limited (ASC) who disposed of their shares in ASC in exchange for shares in Astron Limited (Aus NewCo) or had their options in ASC cancelled and were issued with options in Aus NewCo on 29 August 2025 (Implementation Date).
2. Details of this scheme are set out in paragraphs 33 to 58 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - held ASC shares (including shares beneficially held as a CHESS Depository Interest (CDI)) or options to acquire shares in ASC on 22 August 2025 (Record Date)
 - disposed of your ASC shares, or had your ASC options cancelled and received Aus NewCo shares or options in exchange under the scheme of arrangement, and
 - held your ASC shares or options on capital account – that is, you did not hold your ASC shares or options as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)).
5. This Ruling does not apply to you if you:
 - are a ‘temporary resident’ as defined in subsection 995-1(1)

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- held broker options pursuant to the Lead Manager Agreement dated 15 September 2022
- held performance rights acquired under ASC's Performance Rights Plan
- held any shares, options or rights acquired under an employee share scheme to which Subdivision 83A-C applies and your deferred taxing point has not occurred, or occurred on or after the Implementation Date, or
- are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 33 to 58 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling

CGT event A1 happened on the disposal of your shares

7. CGT event A1 happened when you disposed of your ASC shares on the Implementation Date (subsection 104-10(1) and paragraph 104-10(3)(b)).
8. The capital proceeds from CGT event A1 happening to each ASC share is the market value of the 2 Aus NewCo shares you received in respect of your disposal of each ASC share (subsection 116-20(1)). The market value of the Aus NewCo shares is worked out as at the time of CGT event A1 happening.
9. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your ASC share were more than the cost base of that share (subsection 104-10(4)).
10. You made a capital loss from CGT event A1 happening if the capital proceeds from the disposal of your ASC share were less than the reduced cost base of that share (subsection 104-10(4)).

CGT event C2 happened on the cancellation of your options

11. CGT event C2 happened when your ASC options were cancelled on the Implementation Date (subsection 104-25(1) and paragraph 104-25(2)(b)).
12. The capital proceeds from CGT event C2 happening to each ASC option is the market value of the 2 replacement Aus NewCo shares or options received (paragraph 116-20(1)(b)). The market value of the Aus NewCo shares or options received is worked out at the time of CGT event C2 happening.
13. An ASC option holder will make a capital gain from CGT event C2 happening if the capital proceeds from the cancellation of their ASC options exceed the cost base for those options (subsection 104-25(3)).
14. An ASC option holder will make a capital loss from CGT event C2 happening if the capital proceeds from the cancellation of their ASC option is less than the reduced cost base for those options (subsection 104-25(3)).

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Availability of scrip for scrip roll-over

15. Subject to the qualification in paragraph 16 of this Ruling, if you made a capital gain from the disposal of your ASC share or the cancellation of your ASC option, you may choose to obtain scrip for scrip roll-over for the capital gain (sections 124-780 and 124-785).

16. Scrip for scrip roll-over cannot be chosen if any capital gain you might make from your replacement Aus NewCo share or option would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

17. As holders of ASC shares to which this Ruling applies are common stakeholders (as defined in section 124-783), section 124-782 applies to them, and they must jointly elect with Aus NewCo to obtain the roll-over (paragraph 124-780(3)(d)). They must also notify Aus NewCo in writing of the cost base of their original interest worked out just before the disposal of the ASC share (paragraph 124-780(3)(e)).

Foreign resident holders of shares and options

18. If you were a foreign resident just before the Implementation Date, you disregard a capital gain or capital loss made from the disposal of your ASC share, or the cancellation of your option, unless your ASC shares or options (as applicable) were 'taxable Australian property' (as defined in section 855-15) (section 855-10).

19. Your ASC shares or options were taxable Australian property if they were:

- (a) 'taxable Australian real property' as defined in section 855-20 (table item 1 of section 855-15)
- (b) an 'indirect Australian real property interest' (table item 2 of section 855-15 and subsection 855-25(1))
- (c) used by you at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15)
- (d) an option or right to acquire an asset covered by (a), (b) or (c) of this paragraph (table item 4 of section 855-15), or
- (e) a CGT asset that is covered by subsection 104-165(3) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

20. Your ASC shares were an indirect Australian real property interest if they passed the non-portfolio interest test (section 960-195) – that is, you (and any of your associates as defined in section 318 of the *Income Tax Assessment Act 1936*) held 10% or more of the shares in ASC:

- at the time of CGT event A1, or
- throughout a 12-month period that began no earlier than 24 months before the time of CGT event A1 and ending no later than the time of CGT event A1.

21. If you are a foreign resident just before the Implementation Date and your ASC shares or options were taxable Australian property, you are eligible to choose scrip for scrip roll-over if your replacement Aus NewCo shares or options are taxable Australian property just after the Implementation Date (subsection 124-795(1)).

22. If you were a foreign resident just before the Implementation Date and your ASC shares or options were not taxable Australian property, the acquisition date of the Aus

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NewCo shares or options is the date on which those shares or options were issued to you, being the Implementation Date (table item 2 of section 109-10).

Consequences if you choose scrip for scrip roll-over

Capital gain is disregarded

23. If you choose scrip for scrip roll-over, you disregard the capital gain you made from CGT event A1 happening on the disposal of your ASC shares, or CGT event C2 happening on the cancellation of your ASC or option (as applicable) (subsection 124-785(1)).

Cost base and reduced cost base of shares and options in Astron Limited

24. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement Aus NewCo share or option you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the ASC share or option for which it was exchanged and for which you obtained the roll-over (subsections 124-785(2) and (4)).

25. We accept that a reasonable method of attribution would be to calculate the first element of the cost base and reduced cost base of each replacement Aus NewCo share by dividing the total cost bases of your ASC shares or options by the number of replacement Aus NewCo shares or options you received.

Acquisition date of shares and options in Astron Limited

26. For the purposes of working out whether a future capital gain from the replacement Aus NewCo share or option is a discount capital gain, the Aus NewCo share or option you acquired in exchange for your ASC share or option is taken to have been acquired on the date you acquired, for CGT purposes, the corresponding ASC share or option involved in the roll-over (table item 2 of subsection 115-30(1)).

Consequences if you do not choose, or cannot choose, scrip for scrip roll-over

27. If you do not choose, or cannot choose, scrip for scrip roll-over, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your ASC shares or from CGT event C2 happening on the cancellation of your ASC options in working out your net capital gain or net capital loss for the income year in which the CGT event happened (sections 102-5 and 102-10).

28. If you made a capital gain from CGT event A1 happening on the disposal of your ASC shares or from CGT event C2 happening on the cancellation of your ASC options, and scrip for scrip roll-over is not chosen, or cannot be chosen, you can treat the capital gain as a discount capital gain provided that the conditions of Subdivision 115-A are met.

Cost base and reduced cost base of shares and options in Astron Limited

29. If you do not choose, or cannot choose, scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement Aus NewCo share or option you received is equal to the market value of the ASC share or option you gave in respect of acquiring the Aus NewCo shares or options (subsections 110-25(2) and 110-55(2)).

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30. The market value of the ASC shares you gave or the ASC options that were cancelled is worked out as at the time when you acquired the Aus NewCo shares or options on the Implementation Date.

31. We accept that you can apportion the total market value of your ASC shares or options (worked out as at the Implementation Date) across the total number of Aus NewCo shares or options you acquired on the Implementation Date (subsection 112-30(1)).

Acquisition date of shares and options in Astron Limited

32. If you do not choose, or cannot choose, scrip for scrip roll-over, the acquisition date of the Aus NewCo shares or options is the date on which those shares or options were issued to you, being the Implementation Date (table item 2 of section 109-10).

Scheme

33. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

Background

34. ASC is a company incorporated in Hong Kong on 6 December 2011.

35. ASC was the holding company of Astron Group. The Astron Group principally engages in the mining and processing of mineral sands. The Astron Group has operations in Australia and China.

36. As at 23 June 2025, ASC had 209,178,754 shares on issue of which:

- 209,175,747 were held by CHESS Depository Nominees Pty Limited (in its capacity as a nominee) on behalf of holders of CDIs (CDI Holders) and traded as CDIs on the Australian Securities Exchange (ASX) on a one-to-one basis, and
- 3,007 were held directly by 6 shareholders through physical share certificates (and not currently quoted or able to be traded on the ASX).

37. ASC also had 2 million vested options on issue that had been issued under its Employee Share Option Plan.

38. Additionally, ASC had 6,738,000 performance rights issued pursuant to its Performance Rights Plan and 600,000 broker options issued pursuant to the Lead Manager Agreement dated 15 September 2022. This Ruling does not apply to holders of these performance rights and broker options.

Scheme of arrangement

39. The purpose of the scheme of arrangement is to redomicile the head company of the Astron Group from Hong Kong to Australia.

40. Aus NewCo is a limited liability company incorporated in Australia on 28 March 2025 for the purpose of the scheme of arrangement. Aus NewCo was incorporated with 2 fully paid shares on issue.

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41. The scheme of arrangement was effected by way of a court-approved scheme of arrangement in accordance with section 673 of the *Hong Kong Companies Ordinance* (Cap. 622).
42. All holders of ASC shares (including CDI Holders) were offered the opportunity to participate (as appropriate), and the offer was available to all holders of ASC shares on substantially the same terms.
43. ASC shareholders (including CHES Depositary Nominees Pty Limited on behalf of CDI Holders) voted to approve the scheme of arrangement at the court meeting on 30 July 2025.
44. On the Implementation Date, Aus NewCo acquired all the ASC shares on issue, including all ASC shares represented by CDIs. The ASC CDIs were then cancelled.
45. In consideration for the acquisition of the ASC shares, including shares represented by CDIs, Aus NewCo issued 2 shares in Aus NewCo for each ASC share.
46. Concurrently with the issue of the new Aus NewCo shares, the 2 original Aus NewCo shares were cancelled.
47. Also on the Implementation Date, in consideration for the cancellation of their ASC options, the holders of ASC options received 2 options in Aus NewCo for each ASC option held on terms that are materially the same as the terms of the ASC options.
48. As a result of the implementation of the scheme of arrangement, Aus NewCo became the ultimate parent company of the Astron Group and the immediate holding company of ASC.
49. The Aus NewCo shares were listed on the ASX and commenced trading on 1 September 2025.

Sale facility for ineligible overseas securityholders

50. An ineligible overseas securityholder is an ASC shareholder or CDI Holder whose registered address was in a jurisdiction where it was unlawful or unduly onerous for Aus NewCo to issue Aus NewCo shares to the ASC shareholder or CDI Holder.
51. The Aus NewCo shares to which the ineligible overseas securityholders would otherwise be entitled to were issued to a sale agent on the Implementation Date. The sale agent sold those Aus NewCo shares on the ASX, with the sale proceeds being remitted to the ineligible overseas securityholder.

Other matters

52. A CDI is a 'Chess Unit of Foreign Security' for the purposes of subsection 124-780(6).
53. There were approximately 859 securityholders in ASC, consisting of both Australian and foreign residents.
54. For the purposes of section 855-30, the sum of the market values of ASC's assets that were taxable Australian real property (as defined in section 855-20) exceeded the sum of the market values of ASC's assets that were not taxable Australian real property on the Implementation Date.
55. As up to 20 individuals owned between them, directly or indirectly (through one or more entities) and for their own benefit, shares in ASC carrying fixed entitlements to at

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least 75% of ASC's income or capital and carrying at least 75% of the voting rights of ASC, ASC is treated as if it did not have at least 300 members under subsection 124-810(1).

56. All holders of ASC shares covered by this Ruling are 'common stakeholders' for the scheme of arrangement pursuant to subsections 124-780(1) and 124-783(3).

57. Aus NewCo did not make a choice under subsection 124-795(4) that holders of ASC shares or options could not obtain roll-over under Subdivision 124-M for CGT event A1 happening in relation to the exchange of ASC shares or CGT event C2 happening in relation to the cancellation of the ASC options.

58. Holders of ASC shares and options and Aus NewCo dealt with each other at arm's length in relation to the scheme of arrangement (subsection 124-780(4)).

Commissioner of Taxation

19 November 2025

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 318
 - ITAA 1997 Subdiv 83A-C
 - ITAA 1997 102-5
 - ITAA 1997 102-10
 - ITAA 1997 104-10(1)
 - ITAA 1997 104-10(3)(b)
 - ITAA 1997 104-10(4)
 - ITAA 1997 104-25(1)
 - ITAA 1997 104-25(2)(b)
 - ITAA 1997 104-25(3)
 - ITAA 1997 104-165(3)
 - ITAA 1997 109-10
 - ITAA 1997 110-25(2)
 - ITAA 1997 110-55(2)
 - ITAA 1997 112-30(1)
 - ITAA 1997 Subdiv 115-A
 - ITAA 1997 115-30(1)
 - ITAA 1997 116-20(1)
 - ITAA 1997 116-20(1)(b)
 - ITAA 1997 Subdiv 124-M
 - ITAA 1997 124-780
 - ITAA 1997 124-780(1)
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 - ITAA 1997 124-780(6)
 - ITAA 1997 124-782
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 - ITAA 1997 124-785(1)
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 - ITAA 1997 124-795(4)
 - ITAA 1997 124-810(1)
 - ITAA 1997 Div 230
 - ITAA 1997 855-10
 - ITAA 1997 855-15
 - ITAA 1997 855-20
 - ITAA 1997 855-25(1)
 - ITAA 1997 855-30
 - ITAA 1997 960-195
 - ITAA 1997 977-50
 - ITAA 1997 995-1(1)
 - Companies Ordinance (Cap. 622) (Hong Kong) 673
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ATO references

NO: 1-186Y51SS
 ISSN: 2205-5517
 BSL: PG
 ATOLaw topic: Capital gains tax ~~ CGT events ~~ A1 – disposal of a CGT asset
 Capital gains tax ~~ CGT events ~~ C1 to C3 - end of a CGT asset
 Capital gains tax ~~ Rollovers ~~ Scrip for scrip

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