



# NZX Regulation Decision

Precinct Properties New Zealand Limited (“PCT”)

Application for waivers from NZX Debt Market Listing Rules  
5.2.3 and 7.11.1

10 November 2017



## Background

1. The information on which this decision is based is set out in Appendix One to this decision. These waivers will not apply if that information is not or ceases to be full and accurate in all material respects.
2. The Rules to which this decision relates are set out in Appendix Two to this decision.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

## Waiver from Rule 5.2.3

### Decision

4. Subject to the conditions set out in paragraph 5 below, and on the basis that the information provided by PCT is complete and accurate in all material respects, NZXR grants PCT a waiver from Rule 5.2.3 in respect of the PCT020s for a period of six months from the Quotation Date, to the extent that this Rule requires the PCT020s to meet the Spread Requirements.
5. The waiver in paragraph 4, above, is provided on the conditions that:
  - a. PCT clearly and prominently discloses the waiver and its implications in the Terms Sheet for the PCT020s and any other Offering Document relating to an offer of PCT020s made during the period of this waiver;
  - b. PCT clearly and prominently discloses this waiver, its conditions, and its implications in its half-year and annual report, for the period the waiver is relied upon;
  - c. PCT discloses liquidity as a risk in the Terms Sheet for the PCT020s; and
  - d. PCT notifies NZXR as soon as practicable if there is a material reduction to the total number of Members of the Public holding at least a Minimum Holding of the PCT020s, and/or the percentage of PCT020s held by Members of the Public holding at least a Minimum Holding.

### Reasons

6. In coming to the decision to provide the waiver set out in paragraph 4 above, NZXR has considered that:
  - a. Debt Securities are generally not subject to the same degree of trading activity as Equity Securities;
  - b. the Offer is being made through the joint lead managers, Primary Market Participants and other financial intermediaries, without a public pool. As there is no public pool for the PCT020s, PCT will only know how the PCT020s have been allocated following completion of the Bookbuild. PCT has advised that it is not in a position to confirm as at the date of this waiver that the Spread Requirements will be met at the time of Quotation;
  - c. the conditions, contained in paragraphs 5(a), 5(b) and 5(c), require PCT to provide access to information about this waiver and its implications to prospective investors as part of the Offer, as well as those wishing to trade in the PCT020s for the period of this

waiver. Investors can take this information into account when making their investment decision;

- d. the condition contained in paragraph 5(d) requires PCT to provide information that will allow NZXR to monitor any material reduction in the spread of the PCT020s over the period of this waiver;
- e. the waiver is granted for six months. This gives NZXR the opportunity to reconsider the spread of the PCT020s in six months' time if PCT considers a waiver is still required; and
- f. there is precedent for this decision.

## Waiver from Rule 7.11.1

### Decision

- 7. Subject to the conditions in paragraph 8 below, and on the basis that the information provided by PCT is complete and accurate in all material respects, NZXR grants PCT a waiver from Rule 7.11.1 in respect of the PCT020s, to the extent that this Rule would otherwise require PCT to allot the PCT020s within five Business Days after the latest date on which applications for the PCT020s close.
- 8. The waiver in paragraph 7 above is provided on the conditions that:
  - a. PCT allots the PCT020s six Business Days after the latest date on which applications for the PCT020s close; and
  - b. PCT clearly and prominently discloses this waiver in the Terms Sheet for the PCT020s.

### Reasons

- 9. In coming to the decision to provide the waiver set out in paragraph 7 above, NZXR has considered that:
  - a. the policy of Rule 7.11.1 is to ensure that, where application monies have been submitted, subscribers obtain the benefit of their investment without undue delay. The granting of this waiver will not offend the policy behind Rule 7.11.1;
  - b. the condition contained in paragraph 8a provides comfort that the impact on investors will be limited to only one Business Day. Further, PCT will be required to provide information on the extended allotment period to prospective investors, for the investors to consider before they decide to invest in the PCT020s; and
  - c. there is precedent for this decision.

## Confidentiality

- 10. PCT has requested that the application for a waiver from Rules 5.2.3 and 7.11.1, and NZXR's decision, be kept confidential until such a time as the Terms Sheet is released to the public.
- 11. In accordance with footnote 1 to Rule 1.11.2, NZXR grants PCT's request.



## Appendix One

1. Precinct Properties New Zealand Limited (**PCT**) is a Listed Issuer with Equity Securities Quoted on the NZX Main Board (**Main Board**) and secured, unsubordinated fixed rate bonds maturing on 17 December 2021 Quoted on the NZX Debt Market (**Debt Market**).
2. PCT intends to make an offer of secured, unsubordinated fixed rate bonds (**PCT020s**) to be Quoted on the Debt Market (**Offer**). The Offer will be made under the exclusion set out in Schedule 1, Clause 19 of the FMC Act.
3. The Offer will open on or about 13 November 2017 (subject to market conditions) and close on or about 17 November 2017. The joint lead managers of the Offer will conduct a bookbuild on or about 17 November 2017 in order to determine the PCT020s' margin (**Bookbuild**), which will be used to determine the PCT020s' interest rate. PCT intends to allot the PCT020s on or about 27 November 2017 (**Allotment Date**). PCT intends to Quote the PCT020s on the Debt Market on or about 28 November 2017 (**Quotation Date**).
4. The PCT020s mature on 27 November 2024.
5. PCT will release a terms sheet on or prior to the date the Offer opens, setting out the main terms of the PCT020s (**Terms Sheet**).
6. NZX Debt Market Listing Rule (**Rule**) 7.11.1 requires securities to be allotted within 5 Business Days after the latest date on which applications for Securities close. PCT has sought a waiver from Rule 7.11.1 to structure the Offer so that the Allotment Date is six Business Days after the Offer closes. Subscription monies for the Offer are payable to PCT upon the Allotment Date.
7. In accordance with NZX Regulation's (**NZXR**) Ruling on Rule 5.2.3 issued on 29 September 2015 (the **Ruling**), the PCT020s are required to be held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding (**Spread Requirements**). In accordance with the Ruling, these requirements must be maintained.
8. PCT has engaged with joint lead managers in respect of the PCT020s. The joint lead managers are unable to give assurances in respect of the spread of the PCT020s.
9. The Offer is structured so that all of the PCT020s are reserved for clients of the joint lead managers of the Offer, as well as Primary Market Participants and other approved financial intermediaries. Retail investors will be offered the PCT020s through Primary Market Participants and other approved financial intermediaries participating in the Bookbuild. There is no public pool for the Offer. PCT has sought a waiver from Rule 5.2.3 as it is uncertain whether the PCT020s will satisfy the Spread Requirements when the PCT020s are initially Quoted on the Debt Market.



## Appendix Two

### Rule 5.2 Quotation of Securities

- 5.2.3 A Class of Securities will generally not be considered for Quotation on the NZSX or NZDX unless those Securities are held by at least 500 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained, or NZX is otherwise satisfied that the Issuer will maintain a spread of Security holders which is sufficient to ensure that there is a sufficiently liquid market in the Class of Securities.

#### Ruling on NZX Debt Market Listing Rule 5.2.3 – 29 September 2015

For the purposes of Rule 5.2.3, a Class of Debt Securities will generally not be considered for Quotation on the NZDX unless those Securities are held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.

### Rule 7.11 Allotment

- 7.11.1 An Issuer making an issue of Securities Quoted or to be Quoted (other than Equity Securities issued under Rule 7.3.10) shall proceed to allotment within five Business Days after the latest date on which applications for Securities close.

