



# NZX Regulation Decision

Christchurch City Holdings Limited (CCH)

Application for a waiver from NZX Debt Board Listing Rule  
5.2.3

19 October 2018



# Waiver from Listing Rules

## Background

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

## Decision

5. Subject to the conditions in paragraph 6 below, and on the basis that the information provided by Christchurch City Holdings Limited (**CCH**) is complete and accurate in all material respects, NZX Regulation (**NZXR**) grants CCH a waiver from Rule 5.2.3 in respect of the CCH020s, for a period of six months from the Quotation Date, to the extent that this Rule, in accordance with the Ruling, would otherwise require the CCH020s to be held by at least 100 Members of the Public holding a Minimum Holding of at least 25% of the CCH020s on issue.
6. The waiver in paragraph 5 above is provided on the conditions that:
  - a. CCH clearly and prominently discloses the waiver and its implications in the Terms Sheet for the CCH020s;
  - b. CCH clearly and prominently discloses this waiver, and its implications in any half-year report and annual reports issued during the period of the waiver;
  - c. CCH discloses liquidity as a risk in the Terms Sheet for the CCH020s; and
  - d. CCH 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 CCH020s, and/or the percentage of CCH020s held by Members of the Public holding at least a Minimum Holding.

## Reasons

7. In coming to the decision to provide the waiver set out in paragraph 5 above, NZXR has considered that:
  - a. CCH has advised that it expects the spread of the CCH020s will increase over time to meet the spread requirements of Rule 5.2.3. However, as the Bonds are being offered through market participants, without a public pool, CCH will only know how the CCH020s will be allocated following the Bookbuild. Accordingly, CCH has advised that it is not in a position to confirm as at the date of the waiver that the spread requirements will be met at the time of Quotation;
  - b. Debt Securities are not generally subject to the same degree of trading activity as Equity Securities;
  - c. the conditions, contained in paragraphs 6a, b and c above, require CCH to provide access to information about this waiver and its implications to prospective investors as

part of the Offer, as well as to those wishing to trade in the CHC020s for the period of this waiver. Investors can take this information into account when making their investment;

- d. the condition contained in paragraph 6d above requires CCH to provide information that will allow NZXR to monitor any material reduction in the spread of the CCH020s over the period of this waiver;
- e. the waiver is granted for a period of six months. This gives NZXR the opportunity to reconsider the spread of the Bonds in six months' time if CCH considers a waiver is still required; and
- f. there is precedent for this decision.

## Confidentiality

- 8. CCH has requested this decision be kept confidential until the Terms Sheet, and the form of notice to be provided by CCH under clause 20(1)(a) of Schedule 8 of the Financial Markets Conduct Regulations 2014, has been released to the market.
- 9. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants CCH's request.



## Appendix One

1. Christchurch City Holdings Limited (CCH) is a Listed Issuer with bonds Quoted on the NZX Debt Market (**Debt Market**). These bonds consist of the CCH010s which mature on 6 December 2022.
2. CCH intends to make a new offer of unsecured, unsubordinated, fixed rate bonds (**CCH020s**) to be Quoted on the Debt Market (**Offer**).
3. The Offer will open on or about 19 November 2018 and close on or about 21 November 2018. The joint lead managers for the Offer will conduct a bookbuild on or about 21 November 2018 in order to determine the margin of the CCH020s (**Bookbuild**). CCH intends to allot the CCH020s on or about 27 November 2018 (**Allotment Date**) and Quote the CCH020s on the Debt Market on or about 28 November 2018 (**Quotation Date**).
4. CCH will release a terms sheet prior to the date the Offer opens setting out the main terms of the CCH020s (**Terms Sheet**).
5. In accordance with NZX Regulation's (**NZXR**) Ruling on NZX Debt Market Listing Rule (**Rule**) 5.2.3 issued on 29 September 2015 (the **Ruling**), the CCH020s 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, and those requirements are maintained (**Spread Requirements**).
6. The Offer is structured so that all of the CCH020s are reserved for clients of the joint lead managers of the Offer, primary market participants and other approved financial intermediaries. There is no public pool for the Offer. CCH has therefore indicated that it is unsure whether the CCH020s will satisfy the Spread Requirements of Rule 5.2.3 when the CCH020s 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.

