



Takeovers Code (PGG Wrightson Limited) Exemption Notice 2018

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel, being satisfied of the matters set out in section 45(6) of that Act, gives the following notice.

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Notice

1 Title

This notice is the Takeovers Code (PGG Wrightson Limited) Exemption Notice 2018.

2 Application

This notice applies to acts or omissions occurring on or after 12 December 2018.

3 Expiry

This notice expires on the close of 31 March 2019.

4 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Takeovers Act 1993

Agria Asia means Agria Asia Investments Limited, a company incorporated in the British Virgin Islands, in which Agria Group, New Hope, and Ngai Tahu Capital Limited are joint venture participants

Agria Group means Agria Group Limited, a company incorporated in the British Virgin Islands

Agria Singapore means Agria (Singapore) Pte Ltd, a company incorporated in Singapore

buyback means;

- (a) the acquisition by Agria Asia of its own shares from Ngai Tahu Capital Limited;
- (b) in consideration, the transfer by Agria Asia of 3.634% of the shares in PGG Wrightson Limited to Ngai Tahu Capital Limited

Code means the Takeovers Code under the Act

New Hope means New Hope International (Hong Kong) Limited, a company incorporated in Hong Kong.

- (2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of voting rights in PGG Wrightson Limited.
- (3) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemption

Agria Group and New Hope are exempted from rule 6(1) of the Code in respect of any increase in their voting control as a result of the buyback.

6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:

- (a) when the buyback is completed,—
 - (i) Ngai Tahu Capital Limited is not an associate of Agria Asia, Agria Group, or of New Hope; and
 - (ii) Agria Group holds no more than 87.120% of the shares in Agria Asia (being 84,078,522 shares); and
 - (iii) New Hope holds no more than 12.880% of the shares in Agria Asia (being 12,430,185 shares):
- (b) the effect of any reliance on the exemption in clause 5 is disclosed in any substantial product holder notice given by Agria Asia in relation to the buyback under the Financial Markets Conduct Act 2013.

Dated at Wellington this 11th day of December 2018

[signed]

Andy Coupe
Chairperson

Statement of Reasons

This notice applies to acts or omissions occurring on or after 12 December 2018 and expires on 31 March 2019.

PGG Wrightson Limited (**PGW**) is an NZX-listed Code company.

Agria Group Limited (**Agria Group**), New Hope International (Hong Kong) Limited (**New Hope**), and Ngai Tahu Capital Limited (**Ngai Tahu**) are participants in a joint venture (the **joint venture**) under which they hold 100% of the shares in Agria Asia Investments Limited (**Agria Asia**).

Agria Asia holds 100% of the shares in Agria (Singapore) Pte Ltd (**Agria Singapore**).

Agria Singapore holds 50.218% of the shares in PGW.

Ngai Tahu has decided to cease to be a participant in the joint venture, and will instead hold its interest in PGW directly. In order to facilitate this, the following will occur in the following order:

- Ngai Tahu will cease to be a participant in the joint venture, and the directors appointed by them will resign from the boards of Agria Asia and Agria Singapore.
- Agria Singapore will transfer 3.634% of its shares in PGW (being 27,434,625 shares) (the **PGW shares**) to Agria Asia in partial repayment of an existing intercompany loan owed by Agria Singapore to Agria Asia.
- Agria Asia will acquire all of the shares that Ngai Tahu holds in Agria Asia in consideration for which Agria Asia will transfer the PGW shares to Ngai Tahu (the **buyback**).
- The shares acquired by Agria Asia under the buyback will be cancelled.
- Agria Group and New Hope will continue to be participants in the joint venture.

The buyback will result in Agria Group and New Hope increasing the extent to which they hold or control voting rights in Agria Asia (together as associates), which, under rule 6(2)(c) of the Code, is deemed to be an increase in the percentage of voting rights they hold or control in PGW, resulting in a breach of rule 6(1) of the Code.

The Takeovers Panel (the **Panel**) has exempted Agria Group and New Hope from rule 6(1) of the Code in respect of any increase in their voting control in PGW as a result of the buyback.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemptions because,—

- neither Agria Group or New Hope are increasing their effective interest or control in PGW. In fact, their control of PGW would reduce as a result of the disaggregation of control;
- the Code is not intended to inhibit commercial restructures that have no real effect on shareholders;
- the shareholders of PGW would not be disadvantaged in not having the opportunity to vote on the disaggregation of control; and
- compliance with the Code would be unreasonable and would impose unnecessary compliance costs on the applicants.

Date of notification in the *Gazette*: 20 December 2018
