



Securities Act (Tasman Capital Limited) Exemption Notice 2007

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
This notice is the Securities Act (Tasman Capital Limited) Exemption Notice 2007.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 31 May 2008.
- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—
Act means the Securities Act 1978

NZX means New Zealand Exchange Limited

Regulations means the Securities Regulations 1983

shell company means a company that is incorporated or used by Tasman as a vehicle for the listing of any enterprise on a market operated by NZX

specified equity securities means equity securities in Tasman offered to the public by Tasman

Tasman means Tasman Capital Limited.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from clause 10(1)(c) of Schedule 1 of Regulations

Tasman and every person acting on its behalf are exempted from clause 10(1)(c) of Schedule 1 of the Regulations in respect of the specified equity securities.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the conditions that—

- (a) the registered prospectus relating to the offer of the specified equity securities contains no statement referring to the listing or intended listing of Tasman or a shell company on a market operated by NZX, other than statements that have been approved by NZX; and
- (b) the registered prospectus relating to the offer of the specified equity securities contains, in the place where the prospective statement of cash flows required by clause 10(1)(c) of Schedule 1 of the Regulations would otherwise be set out,—
 - (i) a prominent statement to the effect that investors should regard investment in Tasman as high risk; and
 - (ii) a prominent statement to the effect that the directors of Tasman believe that they are unable to provide a meaningful prospective statement of cash flows and a statement of the directors' reasons for forming that view; and
- (c) the investment statement relating to the offer of the specified equity securities contains at the front of the

“*What returns will I get?*” section a prominent statement to the effect that the directors of Tasman believe that they are unable to reliably predict future returns and that investors should rely on their own judgement or on independent advice as to the likely level of returns.

Dated at Wellington this 22nd day of May 2007.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 May 2008, exempts Tasman Capital Limited (**Tasman**) and every person acting on its behalf, subject to conditions, from clause 10(1)(c) of Schedule 1 of the Securities Regulations 1983 in respect of equity securities to be offered by Tasman, which is the requirement that the registered prospectus must provide a prospective statement of cash flows.

The Securities Commission considers that it is appropriate to grant the exemption because—

- Tasman intends to operate as an investment company that will identify target companies for listing on markets operated by NZX and invest in those target companies. Tasman has not yet determined the target companies in which it will invest, and has no certainty about the timeframes for investments. For this reason, the provision of prospective financial information by Tasman would be highly speculative and may be of little relevance to potential investors:
- the condition that the prospectus contains a statement of the directors’ reasons for not providing the prospective statement

of cash flows, and an acknowledgement that the investment is high risk, requires that potential investors are informed that certain information is not included and why, and that their attention is drawn to the nature of the investment:

- the directors of Tasman must still give a general description of their plans under clause 10(1)(a) of Schedule 1 of the Securities Regulations 1983:
- the exemption is consistent with earlier exemptions granted by the Commission and reflects current Commission policy.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 24 May 2007.
This notice is administered by the Securities Commission.
