



# Securities Act (Cadmus Technology Limited) Exemption Notice 2005

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).

## Contents

1	Title	4	Interpretation
2	Commencement	5	Exemption from section 37 of Act
3	Expiry	6	Conditions of exemption

## Notice

### 1 Title

This notice is the Securities Act (Cadmus Technology Limited) Exemption Notice 2005.

### 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 December 2006.

### 4 Interpretation

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

**Act** means the Securities Act 1978

**Cadmus Developments** means Cadmus Developments Limited

**Cadmus Technology** means Cadmus Technology Limited

**convertible note** means a convertible note issued before the close of 31 August 2003 by Cadmus Developments, and

includes any renewal of a convertible note in accordance with the terms and conditions of the note

**new securities** means any equity securities that are, or are to be, allotted by Cadmus Technology under the terms of, or on the exercise by any person of a right conferred by, a convertible note

**NZX** means New Zealand Exchange Limited

**registered holder** means, in relation to a convertible note, the person shown as the holder of the convertible note in the register of securities kept by Cadmus Developments in accordance with section 51 of the Act

**Regulations** means the Securities Regulations 1983.

- (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 section 37 of Act**

Cadmus Technology and every person acting on its behalf are exempted from section 37 of the Act in respect of new securities.

## **6 Conditions of exemption**

- (1) The exemption in clause 5 is subject to the conditions that—
- (a) Cadmus Developments was a wholly owned subsidiary of Cadmus Technology at the time the convertible notes were offered and allotted, and is also a wholly owned subsidiary of Cadmus Technology at the time of the offer and allotment of the new securities; and
  - (b) equity securities issued by Cadmus Technology were at the time of the offer and allotment of the convertible notes, and are also at the time of the offer and allotment of the new securities, quoted on a securities market operated by NZX; and
  - (c) the new securities are the same class as the equity securities of Cadmus Technology already listed, and are to be quoted on a securities market operated by NZX; and
  - (d) the convertible notes have been allotted under a registered prospectus that contained particulars of all

material matters relating to the offer of the new securities.

- (2) The exemption in clause 5 is subject to the further condition that, before allotment of the new securities and before the exercise of any right conferred by a convertible note, a copy of the following documents have been sent to every person who was, at the time the documents were sent, a registered holder of the same class of convertible note in respect of which the new securities are allotted or the right conferred by the convertible note is exercised:
- (a) the most recent audited consolidated statement of financial position and audited consolidated statement of financial performance of the issuing group that comply with the provisions of the Financial Reporting Act 1993 relating to financial statements (or, if applicable, group financial statements) and with the provisions of any other enactment to which Cadmus Technology is subject; and
  - (b) if the date of the allotment of the new securities or the date of the exercise of any right conferred by a convertible note would be later than 9 months after the date of the statement of financial position referred to in paragraph (a),—
    - (i) an interim consolidated statement of financial position as at the end of, and an interim consolidated statement of financial performance for, a period beginning on the day after the date of the statement of financial position referred to in paragraph (a) and ending on a date that is not less than 9 months after that date that comply with the provisions of the Financial Reporting Act 1993 relating to financial statements (or, if applicable, group financial statements) and with the provisions of any other enactment to which Cadmus Technology is subject (except that in each case they need not be audited); and
    - (ii) a statement containing a description of the issuing group.
- (3) The exemption in clause 5 is subject to the further condition that the date of the allotment of the new securities is not more than 9 months after the date of the statement of financial

position or interim statement of financial position, as the case may be, referred to in subclause (2).

Dated at Wellington this 20th day of December 2005.

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

[L.s.]

J. Diplock,  
Chairperson.

---

### Statement of reasons

This exemption, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 December 2006, exempts Cadmus Technology Limited (**Cadmus Technology**) and every person acting on its behalf, subject to conditions, from section 37 of the Securities Act 1978 in relation to the conversion of convertible notes issued by Cadmus Developments Limited (**Cadmus Developments**) into ordinary shares in Cadmus Technology.

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

- the policy behind the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 2002 (the **class exemption notice**) is to exempt issuers from disclosure requirements in relation to new securities where investors have, at the time they subscribed for the original securities, received all relevant information in relation to the new securities. The conditions of this exemption require the registered prospectus under which the convertible notes were allotted to contain all relevant information in relation to both the convertible notes and the underlying securities; and
- the offer by Cadmus Technology does not meet the terms and conditions of the class exemption notice in that the convertible notes that were offered are not quoted on a securities market operated by New Zealand Exchange Limited (**NZX**). However, the Commission considers that an equivalent exemption will provide appropriate disclosure for investors because—

- Cadmus Developments was a wholly owned subsidiary of Cadmus Technology at the time of the offer and the allotment of the convertible notes; and
  - the equity securities to be offered by Cadmus Technology are to be quoted on a securities market operated by NZX.
- 

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 22 December 2005.

This notice is administered by the Securities Commission.

---