



**Auckland Real Estate Trust
ASX / NZX Announcement
27 January 2023**

Proposal to Delist from ASX and NZX

Quattro RE Limited ("**Responsible Entity**") in its capacity as responsible entity for Auckland Real Estate Trust ("**ARE**" or "**Trust**") advises that it has requested and received formal approval from ASX to be removed from the Official List of ASX pursuant to ASX Listing Rule 17.11. The Trust has also received approval from NZX Regulation Limited ("**NZ RegCo**") to be delisted from the New Zealand Exchange ("**NZX**") Main Board.

Reasons for Delisting from ASX and NZX

Following comprehensive consideration, the Board of the Responsible Entity ("**Board**") has determined that the removal of ARE from the Official List of ASX and the NZX Main Board ("**Delisting**") is in the best interests of Unitholders for the following key reasons:

- **Very limited liquidity:** Trading in Units is limited, both in frequency and volume. The Board is concerned that the very limited liquidity means that limited trading can have a disproportionate impact on the Unit price and has resulted in limited trading opportunities for Unitholders who wish to exit their holdings.
- **Concentrated Unitholdings:** The largest Unitholder holds around 95.91% of all issued Units. Given the current and likely future levels of concentration of Unitholdings and Unitholder spread, an orderly and liquid market is unlikely. The Trust has 465 Unitholders, of which 417 Unitholders hold less than a 'marketable parcel' (commonly referred to as 'unmarketable parcels').¹
- **ARE consistently trading below NTA backing:** ARE has been consistently trading below its net tangible asset backing (NTA). The Board notes that the listed Unit price is hindering each Unitholder's ability to receive fair value for its Units on-market.
- **Listing costs outweighing benefits of remaining listed:** The administrative and compliance costs associated with maintaining an ASX listing outweigh the benefits to Unitholders of remaining listed. The Board estimates that costs attributable to ARE's listing are approximately \$563,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be devoted elsewhere if ARE was unlisted.

Delisting conditions

ASX has provided formal approval for the removal of ARE from the Official List pursuant to ASX Listing Rule 17.11, subject to compliance with certain conditions. These conditions include:

- ARE's removal from the Official List of ASX is approved by special resolution of Unitholders at a General Meeting; and
- the Notice of Meeting seeking Unitholder approval must include statements satisfactory to ASX, setting out:

¹ Based on the closing price of Units of \$0.77 on 12 December 2022. A parcel which is less than a 'marketable parcel' is defined in the ASX Listing Rules as those with a value of less than A\$500.

- a timetable of key dates, including the time and date at which ARE will be removed from the Official List if that approval is given; and
- details of the processes that will exist after ARE is removed from the Official List to allow Unitholders to dispose of their holdings and how they can access those processes, and the information otherwise prescribed in ASX Guidance Note 33.

Please refer to the Appendix for the full terms of ASX's approval.

In conjunction with the removal of ARE from the Official List of ASX, the Responsible Entity is also in the process of facilitating a delisting from the NZX Main Board and has received approval from NZ RegCo to delist, subject to the following conditions:

- NZ RegCo approves, prior to publication, relevant delisting communications with Unitholders;
- AKL pays any outstanding NZX fees, including the delisting fee and NZ RegCo's costs;
- AKL provides at least one month's notice of the delisting to the market. AKL notes that the current proposed timetable provides sufficient notice; and
- AKL receives Unitholder approval for the delisting by way of special resolution.

Consequences of Delisting

The consequences for the Trust and its Unitholders if it is removed from the Official List of ASX and the NZX Main Board include the following:

- the Units will no longer be quoted or traded on the ASX or NZX;
- there will no longer be a readily available indicator of market price for the Units, and Unitholders will need to find a purchaser for their Units via private transactions (which will require Unitholders to identify and agree terms with potential purchasers of Units); and
- if following Delisting, the Trust has 100 or more Unitholders as a result of offers that give rise to the obligations to give product disclosure statements under the Corporations Act, it will be an "unlisted disclosing entity" under the Corporations Act.

Options available to Unitholders to realise their investment

As noted above, following Delisting, the Units will no longer be able to be traded on ASX or NZX and it will be more difficult for a Unitholder to dispose of their Units. Unitholders will have the following options to realise some or all of their investment:

(i) Sell Units on ASX or NZX

Unitholders may trade their Units on-market, subject to demand, at any time prior to the close of trading on the Suspension Date (expected to be Friday, 14 April 2023). After the Suspension Date, Unitholders will not be able to trade their Units on ASX or NZX.

(ii) Participate in Withdrawal Offer

Subject to receiving Unitholder approval for the Delisting in accordance with the conditions imposed by ASX and NZX, the Responsible Entity proposes to make a withdrawal offer to existing Unitholders in accordance with the ARE Constitution, under which Unitholders will be offered the opportunity to redeem their Units in exchange for cash consideration, being an amount calculated in accordance with the ARE Constitution ("**Withdrawal Offer**"). Unitholders will have the option to elect whether to accept the Withdrawal Offer or retain their Units post-Delisting. The Withdrawal Offer gives

Unitholders an opportunity to realise some or all of their investment in ARE.

(iii) Redemption of small holdings

The ARE Constitution grants the Responsible Entity power to redeem small holdings which constitute less than a 'marketable parcel'. Under the ASX Listing Rules, a Unitholder holds less than a 'marketable parcel' where their Units have a value of less than A\$500.

In conjunction with the Withdrawal Offer and to facilitate the Delisting, the Responsible Entity proposes to exercise its discretion to redeem small holdings held by Unitholders by establishing a redemption facility ("**Small Holdings Redemption Facility**") under which those Unitholders will receive cash consideration for their Units (unless a Unitholder has elected to "opt out" of the facility in accordance with the ARE Constitution).

Further information regarding the Withdrawal Offer, Small Holdings Redemption Facility and Delisting will be set out in the Notice of Meeting (and the accompanying Explanatory Statement) despatched to Unitholders.

Remedies available to Unitholders

In circumstances where a Unitholder considers the removal from the Official List involves 'unacceptable circumstances', that Unitholder may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act.

Indicative timetable

ARE provides the following indicative timetable of key dates for the Withdrawal Offer, Small Holdings Redemption Facility and Delisting:

Event	Date
Announce delisting to ASX and NZX	Friday, 27 January 2023
Despatch of the Notice of Meeting and the Explanatory Statement to Unitholders (Notice of Meeting) <i>The Notice of Meeting will constitute notice of the Small Holdings Redemption Facility and Withdrawal Offer</i>	Wednesday, 1 February 2023
Last time and date for receipt of Proxy Forms (including proxies lodged online) or powers of attorney by the Registry for the Unitholder Meeting	10.00am on Sunday, 26 February 2023
Time and date for determining eligibility to vote at the Unitholder Meeting	10.00am on Sunday, 26 February 2023
Unitholder Meeting	10.00am on Tuesday, 28 February 2023
<i>If Unitholder approval for the Delisting is obtained at the Unitholder Meeting</i>	
Opening Date for the Withdrawal Offer and Small Holdings Redemption Facility	Immediately after Unitholder Meeting on Tuesday, 28 February 2023



Event	Date
Record Date for the Small Holdings Redemption Facility	5.00pm on Tuesday, 28 February 2023
Despatch of personalised Withdrawal Request Forms and Unit Retention Forms to eligible Unitholders under Small Holdings Redemption Facility	By Thursday, 2 March 2023
Closing time for the Withdrawal Offer and Small Holdings Redemption Facility	5.00pm on Thursday, 13 April 2023
Announcement of the results of the Withdrawal Offer and Small Holdings Redemption Facility	Friday, 14 April 2023
Suspension Date (date on which ARE Units are suspended from trading on ASX and NZX)	Friday, 14 April 2023
ARE delisted from ASX and NZX	Tuesday, 18 April 2023
Settlement of the Withdrawal Offer and Small Holdings Redemption Facility	No later than Thursday, 4 May 2023

All dates and times in this announcement refer to Sydney time. These dates and times are indicative only and subject to change. ARE will announce any amendment to those dates and times.

For enquiries, please contact:

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Appendix - ASX Approval



25 January 2023

Ms Mia Beagley
Senior Associate
HWL Ebsworth Lawyers
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Sydney NSW 2000

By email: mbeagley@hwle.com.au

Dear Ms Beagley

Auckland Real Estate Trust ('AKL'): Confirmation decision formalisation

I refer to the email dated 25 January 2023 applying on behalf of AKL that the in-principle confirmation from ASX Listing Rule 17.11 given on 21 November 2022 be formalised.

I am pleased to advise that ASX has decided to formalise the confirmation you have requested.

ASX's formal decision reads as follows:

Confirmation Decision

1. *Subject to resolution 2 and based solely on the information provided, on receipt of an application for the removal of Auckland Real Estate Trust (the 'Trust') from the Official List of ASX Limited ('ASX') pursuant to listing rule 17.11, ASX would be likely to remove the Trust from the Official List, on a date to be determined by ASX in consultation with the Trust, subject to compliance with the following conditions.*
 - 1.1 *The request for removal of the Trust from the Official List of ASX is approved by a special resolution of security holders of the Trust.*
 - 1.2 *The notice of meeting seeking security holder approval for the Trust removal from the Official List of ASX must include, in form and substance satisfactory to ASX, setting out:*
 - 1.2.1 *a timetable of key dates, including the time and date at which the Trust will be removed from ASX if that approval is given;*
 - 1.2.2 *details of the processes that will exist after the Trust is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and*
 - 1.2.3 *the information prescribed in section 2.11 of ASX Guidance Note 33.*
 - 1.3 *The Trust releases the full terms of this decision to the market upon making a formal application to ASX to remove the Trust from the official list of ASX.*
2. *Resolution 1 only applies until 21 February 2023.*
3. *ASX has considered Listing Rule 17.11 only and makes no statement as to the Trust's compliance with other listing rules.*

Basis for Confirmation Decision

Listing Rule 17.11

1. *ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the Official List at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to*

agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to shareholders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These conditions may include: (i) seeking shareholder approval for delisting by way of a special resolution; (ii) giving advanced notice of an amount of time which is adequate to the particular circumstances; or (iii) providing alternative arrangements for shareholders to exit their investment before or after delisting.

Facts/Reasons for providing the confirmation

2. *The circumstances faced by the Trust are those to which section 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the Official List by way of a special resolution.*

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards

Nicola Lombardi
Adviser, Listings Compliance

CC: Paul Brown, HWL Ebsworth Lawyers
CC: Tom Kaldis, HWL Ebsworth Lawyers