



**PACIFIC DAIRIES LTD**  
**ACN: 095 821 971**

**23 Wells Road**  
**Mordialloc, Victoria, 3195**

6 March 2018

Kate Kidson  
Principal Adviser, Listings Compliance (Melbourne)  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

By email: [kate.kidson@asx.com.au](mailto:kate.kidson@asx.com.au)

Dear Kate,

**RE: PACIFIC DAIRIES LIMITED – ASX QUERIES CONCERNING BOND ISSUE**

Unless the context otherwise required, capitalised terms in this letter have the same meanings as set out in the letter from ASX Limited (**ASX**) to Pacific Dairies Limited (**PDF**) dated 2 March 2018 (**Letter**).

PDF responds to your questions set out in the Letter as follows:

- 1. Please confirm that the Securities have been created and settled, as set out on the terms above.**

The Securities have been created but settlement has not yet occurred. As such, PDF has not received any funds from the issue of the Securities.

The Securities are currently held by the Initial Subscriber pending transfer to s.708 wholesale investor(s) overseas once investment funds have been received by PDF. The creation of the Securities does not, of itself, constitute settlement. As such, until investment funds have been received by PDF, it currently has no payment or other obligations in connection with the Securities.

PDF's intention is to re-comply with Chapters 1 and 2 of the ASX Listing Rules following settlement of the Securities. As part of its re-compliance, PDF will issue a prospectus to raise funds in order to comply with ASX listing rules. Until such time as PDF has certainty of funding through the issue of Securities, it is not in a position to commence the re-compliance process.

2. **If the answer to question 1 is “Yes”, please explain why this information was not disclosed to the market under listing rule 3.1?**

Not applicable

3. **If the answer to question 1 is “Yes”, please advise how PDF will fund the coupon for the Securities given its stated total equity at 31 December 2016, and each coupon will cost \$6,000,000?**

Not applicable

4. **If the answer to question 1 is “Yes”, has PDF received the funds in respect of these Securities?**

Not applicable

5. **If the answer to question 1 is “Yes” and PDF has not received the funds in respect of these Securities, please explain why that is the case, commenting specifically when PDF will receive the funds in respect of these Securities.**

Not applicable

6. **If the answer to question 1 is “Yes”, please advise why PDF is seeking to raise capital and complete the acquisition of the relevant dairy farms before it has recomplied with Chapters 1 and 2 of the listing rules.**

Not applicable

7. **Please confirm that PDF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

PDF confirms that it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

8. **Please confirm that PDF’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PDF with delegated authority from the board to respond to ASX on disclosure matters.**

PDF confirms its responses to the above questions have been authorised and approved by its Board.

**For and on behalf of the Board**



Executive Chairman



2 March 2018

**Justyn Stedwell**  
Company Secretary  
Pacific Dairies Limited  
21 Wells Road  
Mordiallic

By email to [justyn@stedwell.com.au](mailto:justyn@stedwell.com.au)

**Re: ASX queries concerning bond issue**

Dear Mr Stedwell

I refer to our correspondence on Wednesday this week, regarding the matter concerning Pacific Dairies Limited ("PDF") that has come to ASX Limited's ("ASX") attention.

ASX refers to the following:

- A. ASX's market release entitled "Suspension From Official Quotation" lodged on the ASX Market Announcements Platform and released at 10.11 am on 17 May 2016, advising that following receipt of an announcement concerning PDF's proposed change of activities, PDF's securities will be suspended from quotation immediately and remain suspended until PDF has complied with Chapters 1 and 2 of the listing rules in accordance with listing rule 11.1.3.
- B. PDF's announcement entitled "Market Update" lodged on the ASX Market Announcements Platform and released at 5:52 pm on 9 November 2017, disclosing "The Company continues to pursue debt funding options from international sources to fund the proposed acquisition of up to five dairy farms, as approved by shareholders in July 2016. The improved dairy industry outlook in Australia has assisted the progress of such funding and the Board remains optimistic that funding will be secured."
- C. PDF's announcement entitled "Half Yearly Report and Accounts" lodged on the ASX Market Announcements Platform and released at 8:50 am on 6 December 2017 (the "Half Yearly Report"), for the period ended 31 December 2016 disclosing in the directors' report dated 22 November 2017 ".....Recent recovery in the dairy industry has assisted with interest from potential overseas funders. Thankfully the underlying value of our project has held up and completion of debt funding is expected third quarter of this financial year...."
- D. PDF's total equity at 31 December 2016 as disclosed in the Half Yearly Report was \$121,857.
- E. Paul Duckett, PDF's Executive Chairman's response to ASX's initial enquiry regarding this matter on 28 February 2018, where he stated as follows:

"Pacific Dairies Limited is preparing to list a Private Wholesale Bond on the International Exchange. We are negotiating with several international wholesale funds. We have sought approvals from all regulatory bodies including ASX Clearing (who have issued a ISIN), Computershare and all legal matters were undertaken by Steinepreis Paganin in respect to the Bond.

We are seeking approvals from the International Exchange for the purpose of listing. We will advise the ASX and Market once these Bonds have been listed. The Company has not received any funds in respect to these Bonds. Once the Bond issue has been concluded we will advise the market accordingly.

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At this stage the Board has resolved not to list the Bond on the ASX.”

As I indicated to you on Wednesday, ASX has become aware of a preliminary information memorandum dated 13 December 2017 and a final bond pricing supplement dated 23 January 2018 (signed by Paul Duckett on 21 December 2017 stating that the Issuer, PDF, accepts responsibility for the information contained in this pricing supplement) and transaction data indicating that \$150,000,000 of fixed rate floating notes were created and settled on 5 January 2018, maturing 31 December 2023 with a coupon of 8% per annum payable on 7 July and 7 January each year commencing on 7 July 2018 up to, and including the maturity (the “Securities”). The Securities are irrevocably and unconditionally guaranteed on a joint and several basis by Pacific Dairies Limited; AYB Properties Pty Ltd and Pacific Dairies Fiji Limited (together the “Initial Guarantors.”)

Having regard to the above, ASX asks PDF to respond separately to each of the following questions and requests for information:

1. Please confirm that the Securities have been created and settled, as set out on the terms above.
2. If the answer to question 1 is “Yes”, please explain why this information was not disclosed to the market under listing rule 3.1?
3. If the answer to question 1 is “Yes”, please advise how PDF will fund the coupon for the Securities given its stated total equity at 31 December 2016, and each coupon will cost \$6,000,000?
4. If the answer to question 1 is “Yes”, has PDF received the funds in respect of these Securities?
5. If the answer to question 1 is “Yes” and PDF has not received the funds in respect of these Securities, please explain why that is the case, commenting specifically when PDF will receive the funds in respect of these Securities.
6. If the answer to question 1 is “Yes”, please advise why PDF is seeking to raise capital and complete the acquisition of the relevant dairy farms before it has complied with Chapters 1 and 2 of the listing rules.
7. Please confirm that PDF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that PDF’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PDF with delegated authority from the board to respond to ASX on disclosure matters.

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on Wednesday, 7 March 2018.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PDF’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [kate.kidson@asx.com.au](mailto:kate.kidson@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

**Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to PDF’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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It should be noted that PDF's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

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**Kate Kidson**  
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