

Pacific Dairies Limited  
ACN 095 821 971  
21 Wells Road  
Mordialloc VIC 3195  
Phone: +613 9580 4328  
Fax: +613 9580 2294

25 September 2018

### **ASX Announcement Market Update**

The Board of Pacific Dairies Ltd (Company) provides the following status update on its Dairy Project, funding and AGM.

#### **1. Australian Dairy Farm Acquisitions**

As previously announced to the market, Pacific Dairies plans to acquire up to five dairy farms around Strathmerton in Northern Victoria and Finlay in Southern NSW. One of the original farms identified has been sold to another party, however another equally suitable farm has been identified as a replacement. With Farm Gate milk prices showing signs of recovery, the Company is confident that the acquisitions will be of significant value to shareholders.

#### **2. Fiji Dairy Project**

We have continued to progress the Fijian Dairy Project with our proposed Joint Venture partner Asia Pacific Logistics Pty Ltd. Land for both farms and processing facilities has been identified and agreed with local landowners by the Fijian owners of Asia Pacific Logistics. This Project has exciting potential for the Company, and will be of significant value to the people of Fiji and our shareholders.

#### **3. Debt Funding**

Pramana Capital has made significant progress in identifying international interest in both the proposed Australian acquisitions and Fiji Dairy Project. Due diligence has been completed and the Board is confident that Pramana Capital will provide a Debt Facility to initiate both Projects in the near future.

#### **4. Chapters 1 & 2**

Once the debt funding arrangements are finalised, the Company will complete the ASX requirements for Chapters 1 and 2 of the Listing rules, and seek re-listing.

The Board is aware of commentary on social media and some direct approaches to shareholders, by a group claiming to offer an alternative, however no proposals have been forthcoming. These claims do not appear to offer any

substantive alternative to shareholders, so the Board cannot comment further at this stage, until any information and details are provided.

## **5. Additional Information in relation to AGM to be held on 26 September 2018 and ASX Listing Rule 10.11 breach**

The Company advises of an amendment to Resolution 4 (Approve the previous issue of 40,200,000 Shares) and the correction of typographical error in the voting exclusion statement to Resolution 5 (Approve the issue of 14,000,000 Shares to Paul Duckett on conversion of Notes) in the Notice of Annual General Meeting lodged with ASX on 20 August 2018.

The Company and ASX have determined that 3,000,000 of the 40,200,000 shares referred to in resolution 4 were issued in breach of ASX Listing Rule 10.11 to related parties without the prior approval of shareholders. 1,000,000 shares were issued to the spouse of a former director (within the 6 months following the former directors resignation) and 2,000,000 shares were issued to Madnek Pty Ltd, an entity associated with the spouse of current director Ray Taylor.

These shares should have been issued only with the prior approval of shareholders, or, in regards to the 1,000,000 shares issued to the spouse of a former director, at least 6 months following the resignation of the former director. The Board notes that the 3,000,000 shares were issued at arms-length and on the same terms as shares issued to non-related parties.

To remedy the breach, these 3,000,000 shares will be bought back or cancelled by the Company subject to approval of shareholders at a General Meeting of the Company to be held on or before 30 November 2018. The 3,000,000 Shares will not eligible to be voted at general meetings of the Company prior to being cancelled or bought back by the Company.

The issue of these 3,000,000 shares will be excluded from being approved for the purposes of ASX Listing Rule 7.4 in Resolution 4. As a result, the number of shares being approved under Resolution 4 for the purposes of ASX Listing Rule 7.4 is reduced by 3,000,000 Shares from 40,200,000 to 37,200,000.

The Company also advises that the voting exclusion statement for Resolution 5 (Approve the issue of 14,000,000 Shares to Paul Duckett on conversion of Notes) incorrectly makes a reference to resolution 6, this is a typographical error and should be a reference to resolution 5. The amended voting exclusion statement for Resolution 5 is set out below.

*Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 6 5 by:*

- Paul Duckett; and
- any associate of Paul Duckett.

*However, the Company need not disregard a vote cast on Resolution 5 if it is cast by:*

- a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or

- *the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Paul Duckett  
Chairman