

16 June 2016

By email: [zheng.li@asx.com.au](mailto:zheng.li@asx.com.au)

Mr Kobe Li  
ASX Compliance Pty Limited  
Level 4, North Tower  
525 Collins Street  
Melbourne VIC 3000

Dear Mr Li

**TasFoods Limited — Reinstatement to official quotation**

TasFoods Limited (**Company**) refers to the letter from ASX Limited (**ASX**) dated 10 June 2016 regarding the conditional reinstatement of the Company's securities to official quotation and provides the following information:

1. The Company's invitation to investors to apply for new ordinary shares (each a **Share**) at \$0.25 each under a prospectus (**Prospectus**) dated 25 May 2016 (**Offer**) has closed. The Company accepted applications for 101,577,000 Shares and raised \$25,394,250 (before costs) under the Offer, and has been advised by its share registrar, Advanced Share Registry Ltd, that that amount has been received in cleared funds. All of those Shares were issued on 15 June 2016, the conditions of the Offer having been satisfied.
2. The acquisition by the Company of Nichols Poultry Pty Ltd and associated assets (**Nichols Poultry**) was completed on 15 June 2016, all conditions precedent to the acquisition having been satisfied. As part of the consideration provided by the Company for that acquisition, 8,000,000 Shares were issued on 15 June 2016 to Nichols Investments Pty Ltd as trustee for the R & J N Family Trust at a notional issue price of \$0.25 each. No funds were raised by the Company from the issue of those Shares, and all of them are subject to a voluntary escrow deed which restricts the holder from dealing with any of those Shares, such as disposing of them or creating security interests in them, until 15 December 2016.
3. The acquisition by the Company of Shima Wasabi Pty Ltd (**Shima Wasabi**) was completed on 15 June 2016, all conditions precedent to the acquisition having been satisfied or waived. As part of the consideration provided by the Company for that acquisition, 600,000 Shares were issued on 15 June 2016 to each of Stephen Welsh and Karen Welsh at a notional issue price of \$0.25 each. No funds were raised by the Company from the issue of those Shares.
4. There are no contractual and, so far as the Company is aware as at the date of this document, no legal or regulatory impediments to the Company undertaking the activities the subject of the proposed commitments set out in section 5.11 of the Prospectus (as updated in the table set out in item 7 below).
5. The Company has been advised by its share registrar, Advanced Share Registry Ltd, that issuer sponsored holding statements and CHESS holding notices were despatched on 15 June 2016 to persons issued shares under the Offer (as well as to the vendors of Nichols Poultry Pty Ltd and Shima Wasabi).

6. The following table, which updates the table set out in section 5.9 of the Prospectus, sets out the capital structure of the Company as at the date of this document:

		Number	Percentage of Company's total issued Shares following all Share issues <sup>1</sup>
A	Shares on issue as at 31 December 2015	29,898,181	18.22%
B	Shares issued under share purchase plan in February 2016	22,212,000	13.54%
C	Shares issued under placement offers in February and March 2016	1,220,000	0.74%
D	Shares issued under the Offer	101,577,000	61.90%
E	Consideration shares issued to vendor of Nichols Poultry Pty Ltd in part satisfaction of acquisition consideration	8,000,000	4.87%
F	Consideration shares issued to vendors of Shima Wasabi in part satisfaction of acquisition consideration	1,200,000	0.73%
<b>Total</b>		<b>164,107,181</b>	<b>100.00%</b>

<sup>1</sup> Percentages rounded to second decimal place.

In addition, the Company has issued 18.5 million options to directors and a senior executive, each option being to subscribe for one new Share in the Company (see section 4.10(c) of the Prospectus). Assuming all of those Shares are issued, then the Shares issued under the Offer and the Shares issued to the vendors of Nichols Poultry Pty Ltd and Shima Wasabi would reduce from 61.90%, 4.87% and 0.73% to 55.63%, 4.38% and 0.66% respectively.

7. The following table, which updates the table set out in section 5.11 of the Prospectus to reflect the actual amount raised under the Offer, sets out how the Company intends to use the funds raised under the Offer:

Description	Amount <sup>1</sup>
Estimated current available cash <sup>2</sup>	\$7,428,000
Aggregate cash consideration of \$2,770,000 payable for the acquisition of Shima Wasabi and the goat herd and related plant and equipment, and aggregate acquisition costs of \$228,000 <sup>3</sup>	\$(2,998,000)
Additional share capital through the issue of Shares under the Offer	\$25,394,250
<b>Total cash resources</b>	<b>\$29,824,250</b>
<b>Planned expenditure<sup>4</sup></b>	
Nichols Poultry acquisition consideration <sup>5</sup>	\$(10,550,000)
Transaction and Offer costs <sup>6</sup>	\$(1,971,000)
Nichols Poultry capital developments <sup>7</sup>	\$(5,000,000)
Marketing and other development of Nichols Poultry and Meander Valley Dairy <sup>8</sup>	\$(3,000,000)
New factory premises for Meander Valley Dairy <sup>9</sup>	\$(9,000,000)
<b>Total planned expenditure</b>	<b>\$(29,521,000)</b>
<b>Balance</b>	<b>\$303,250</b>

<sup>1</sup> Amounts are rounded to nearest \$1,000.

<sup>2</sup> See section 4.5 of the Prospectus.

<sup>3</sup> See notes 4 and 5 in section 5.5 and section 6.3 of the Prospectus.

<sup>4</sup> Expenditure amounts are estimates only.

<sup>5</sup> Acquisition consideration is subject to post-completion adjustments, including certain finance debt and related party liabilities owing by Nichols Poultry Pty Ltd that the Company has agreed to pay on behalf of Nichols Poultry Pty Ltd after completion of the acquisition — see section 6.1 and note 3 in section 5.5 of the Prospectus.

<sup>6</sup> This includes legal and accounting fees, broker commission, ASX fees, and printing and registry costs.

<sup>7</sup> This includes capital and equipment costs to expand and develop existing poultry processing facility, and sheds and growing infrastructure.

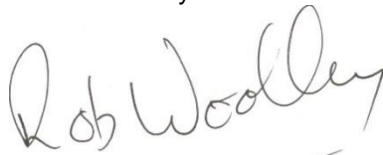
<sup>8</sup> This includes new product development, additional staff and branding costs.

<sup>9</sup> This includes the costs of relocating the existing Meander Valley Dairy factory premises, and land acquisition and construction, equipment and fit out costs for new factory premises.

The above sets out the Company's current intentions. As with any budget, intervening events or new circumstances have the potential to affect the way the funds are ultimately spent.

8. A pro-forma consolidated statement of financial position, which updates the pro-forma consolidated statement of financial position set out in section 5.5 of the Prospectus to reflect the actual amount raised under the Offer, is set out in schedule 1 to this letter.
9. There have been no material subsequent events to alter the Company's consolidated statement of financial position as at 31 December 2015 as set out in section 5.5 of the Prospectus.
10. The Company is in compliance with the ASX Listing Rules, in particular rule 3.1 of the ASX Listing Rules.

Yours sincerely



**Rob Woolley**  
Chairman

# SCHEDULE 1

## UPDATED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2015							
	Statutory Historical Balance Sheet Note 1	Issue of Shares Note 2	Pro-Forma (Pre Offer & Acquisition)	Impact of Nichols Poultry Note 3	Impact of Shima Wasabi Note 4	Asset Purchase Note 5	Impact of the Offer Note 6	Pro-Forma
(\$'000)								
<b>Current Assets</b>								
Cash & Cash Equivalents	2,799	5,822	8,621	( 7,275)	( 2,648)	( 346)	24,125	22,478
Trade & Other Receivables	1,718	-	1,718	1,963	48	-	-	3,729
Stock	30	-	30	1,334	-	207	-	1,570
Other Current Assets	71	-	71	-	-	-	-	71
<b>Total Current Assets</b>	<b>4,618</b>	<b>5,822</b>	<b>10,440</b>	<b>( 3,978)</b>	<b>( 2,600)</b>	<b>( 139)</b>	<b>24,125</b>	<b>27,848</b>
<b>Non-Current Assets</b>								
Property, Plant & Equipment	230	-	230	9,113	2,700	111	-	12,154
Prepayments	-	-	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	706	-	-	381	1,087
Intangible Assets	1,879	-	1,879	3,435	-	-	-	5,314
<b>Total Non-Current Assets</b>	<b>2,109</b>	<b>-</b>	<b>2,109</b>	<b>13,254</b>	<b>2,700</b>	<b>111</b>	<b>381</b>	<b>18,554</b>
<b>Total Assets</b>	<b>6,727</b>	<b>5,822</b>	<b>12,550</b>	<b>9,276</b>	<b>100</b>	<b>( 28)</b>	<b>24,506</b>	<b>46,403</b>
<b>Current Liabilities</b>								
Trade & Other Payables	990	-	990	5,175	-	-	-	6,165
Current Tax Payable	-	-	-	-	-	-	-	-
Provisions	187	-	187	246	-	-	-	433
Borrowings	-	-	-	1,618	-	-	-	1,618
<b>Total Current Liabilities</b>	<b>1,177</b>	<b>-</b>	<b>1,177</b>	<b>7,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,216</b>
<b>Non-Current Liabilities</b>								
Provisions	-	-	-	43	-	-	-	43
Borrowings	-	-	-	895	-	-	-	895
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>939</b>
<b>Total Liabilities</b>	<b>1,177</b>	<b>-</b>	<b>1,177</b>	<b>7,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,154</b>
<b>Net Assets</b>	<b>5,551</b>	<b>5,822</b>	<b>11,373</b>	<b>1,298</b>	<b>100</b>	<b>( 28)</b>	<b>24,506</b>	<b>37,249</b>
<b>Equity</b>								
Contributed Equity	6,618	5,822	12,440	2,000	300	-	24,621	39,361
Reserves	584	-	584	-	-	-	-	584
Retained Earnings / (Losses)	( 1,651)	-	( 1,651)	( 702)	( 200)	( 28)	( 115)	( 2,695)
<b>Total Equity</b>	<b>5,551</b>	<b>5,822</b>	<b>11,373</b>	<b>1,298</b>	<b>100</b>	<b>( 28)</b>	<b>24,506</b>	<b>37,249</b>

The pro-forma historical consolidated statement of financial position (**Pro-Forma Historical Balance Sheet**) set out above takes into account the actual results of the Offer as detailed above. This schedule is to be read in conjunction with the Prospectus.

The Pro-Forma Historical Balance Sheet has been prepared in accordance with the accounting policies adopted by the Company as disclosed in schedule 2 of the Prospectus. The Pro-Forma Historical Balance Sheet is presented in an abbreviated form and does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to a general purpose financial report prepared in accordance with the *Corporations Act 2001* (Cth).

The following notes set out the basis of preparation of the Pro-Forma Historical Balance Sheet set out above:

**Note 1:** The actual reviewed consolidated statement of financial position of the Company as at 31 December 2015 (as set out in the appendix 4E – preliminary final report that was lodged with ASX on 29 February 2016) has been adopted as the starting point for the preparation of the Pro-Forma Historical Balance Sheet.

**Note 2:** On 19 February 2016 and 8 March 2016, the Company issued a total of 23,432,000 Shares at \$0.25 each to sophisticated and professional investors who took up the shortfall in the Company's share purchase plan offer and under placements of Shares. The amount reflected above in the Pro-Forma Adjustments (as defined in section 5.2 of the Prospectus) is net of any costs incurred.

**Note 3:** The following Pro-Forma Adjustments have been made to reflect the impact of the Nichols Poultry acquisition:

- (a) The estimated consideration to be provided to the sellers totalling \$12,550,000, comprising:
  - (1) an issue of \$2,000,000 of Shares; and
  - (2) a cash component of \$6,575,000 plus completion adjustments of \$3,975,000 based on the balance sheet of Nichols Poultry as at 31 December 2015. Based on the unaudited draft completion accounts as at 30 April 2016, the sum of the completion adjustments is unlikely to vary materially from the estimated 31 December 2015 reviewed balance sheet.
- (b) The value of the assets and liabilities of Nichols Poultry Pty Ltd at 31 December 2015 as reported in its reviewed special purpose financial statements for the 6 months ended 31 December 2015 plus the value of the land, wind turbine and other associated assets based on the consideration agreed to be paid for them, being \$5,327,000 on a net basis, resulting in intangible assets on acquisition of \$3,248,000. The directors have prepared the above Pro-Forma Adjustment on a provisional basis in accordance with paragraph 45 of AASB 3 Business Combinations.
- (c) Costs of the acquisition which are assumed will total \$702,000, comprising stamp duty in the amount of \$277,000 and legal, accounting and other costs in the amount of \$425,000.

**Note 4:** The following Pro-Forma Adjustments reflect the impact of the acquisition of Shima Wasabi on the Company:

- (a) To recognise the estimated consideration to be provided by the Company totalling \$2,750,000, to be satisfied by:

- (1) a cash payment of \$2,450,000; and
- (2) an issue of 1,200,000 Shares at a notional issue price of \$0.25 each (totalling \$300,000).
- (b) Recognition of the fair value of the assets and liabilities of Shima Wasabi as at 31 December 2015. The net assets in Shima Wasabi's balance sheet are \$113,000 and these have been fair value adjusted by \$2,637,000 so as to represent the purchase price. The adjustment has been applied against property, plant and equipment.
- (c) Costs of the acquisition which are assumed will total \$200,000, comprising stamp duty, legal fees and other transaction costs.

**Note 5:** Pro-Forma Adjustment to reflect potential asset purchase of goat herd and related plant and equipment, assuming the following:

- (a) Purchase of 512 goats and 10 bucks at a price of \$400 and \$200 for each goat and buck respectively for a total of \$207,000 recorded as stock.
- (b) Recognise the purchase of associated plant and equipment for a total of \$111,000 recorded as property, plant and equipment.
- (c) Costs of the purchase which include a stamp duty and legal fees of approximately \$28,000.

Total consideration to be paid for the above assets totals \$346,000.

**Note 6:** Pro-Forma Adjustment to reflect the impact of the Offer on the Company, as follows:

- (a) The Offer totalled 101,577,000 ordinary shares issued at a price of \$0.25 per share.
- (b) Costs of the Offer have been estimated to be \$1,269,000 (including GST where applicable) comprising:
  - (1) underwriting fee in the amount of \$1,016,000 (being 4% of the proceeds raised) payable to the underwriter on the basis of issuing 101,577,000 Shares under the Offer; and
  - (2) legal, accounting and other costs in the amount of \$253,000.

The above costs of the Offer have been deducted from equity to the extent permitted by AASB 132 *Financial Instruments*, net of any deferred income tax benefit.