

NZX ANNOUNCEMENT

20 July 2017

PGC Board considers impact of Wilaci fee decision

Pyne Gould Corporation (“PGC”) said today that while it is yet to be determined whether any payment will be required, it will recognise a potential contingent liability in its full year accounts for 2016-17 as a result of the Wilaci appeal judgement.

This comes after the New Zealand Supreme Court last week refused leave to the Torchlight Fund No 1 LP (“TLF1” - a former associate of PGC placed into receivership in 2014) to appeal a prior ruling that it pay A\$31.5 million to Wilaci Pty in late payment fees.

The Court of Appeal ruled in May that a late payment fee claimed by Wilaci, an entity connected with Australian businessman John Grill, against TLF1 was enforceable. It ordered TLF1 to pay A\$31,477,194 to Wilaci.

PGC Managing Director George Kerr said that while TLF1 is in receivership, there is a possibility that its receivers may lay claim to some of the assets of Torchlight Fund LP (“TLF”), a PGC subsidiary based in the Cayman Islands.

In separate proceedings, the Receivers seek a declaration that various assets of TLF and its subsidiaries are subject to Wilaci’s security. TLF disputes the Receivers’ claim and will continue to vigorously defend this claim.

These proceedings had been stayed pending the outcome of the leave to appeal application and no date has yet been set for this matter to be heard, but it is expected it will be in the latter part of 2018.

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