



# NOTICE OF GENERAL MEETING

THE GENERAL MEETING OF  
THE COMPANY WILL BE HELD:

---

DATE: 17 JANUARY 2011

---

TIME: 2.00PM (BRISBANE TIME)

---

PLACE: ICON THEATRE  
EAGLE STREET CONFERENCE CENTRE  
175 EAGLE STREET  
BRISBANE, QUEENSLAND

---



**THE MARYBOROUGH  
SUGAR FACTORY LIMITED**

ABN 11 009 658 708

17 December 2010

Dear Shareholder

**Company General Meeting – 17 January 2011**

On behalf of the Directors of The Maryborough Sugar Factory Limited ('**Company**'), I am pleased to invite you to a General Meeting of the Company to be held on 17 January 2011. Attached is the Notice of General Meeting setting out the business of the General Meeting.

The General Meeting will be held on **17 January 2011 commencing at 2.00pm (Brisbane time) at Icon Theatre, Eagle Street Conference Centre, 175 Eagle Street, Brisbane, Queensland.**

If you decide to attend the General Meeting, please bring the enclosed proxy form with you to facilitate registration and entry to the General Meeting. If you are unable to attend the General Meeting in person, I encourage you to complete the enclosed proxy form and ensure it is lodged by 2.00pm on Saturday 15 January 2011 for it to be valid. Further instructions on how to complete the proxy form are provided on the form itself.

Details relating to the resolution to be proposed at the General Meeting are attached to this letter.

**Your Board does recognise the potential negative unforeseen impacts of weather and commodity price volatility on your Company's operations, and as a principle, your Board believes in maintaining low levels of debt and conservative ratios of financial gearing in funding of the Company. Therefore, your Directors strongly recommend Shareholders approve the issue of these shares given the funds received will further strengthen the balance sheet of MSF.**

All the Directors of the Company strongly recommend that members vote in favour of the resolution to be considered at the General Meeting.

Yours sincerely



**J.A. Jackson**  
Chairman

Enclosures:

1. Notice of General Meeting (including the explanatory notes)
2. Proxy form

# NOTICE OF GENERAL MEETING

The General Meeting of The Maryborough Sugar Factory Limited ('MSF' or 'the Company') will be held: 17 January 2011, 2.00pm (Brisbane time), Icon Theatre, Eagle Street Conference Centre, 175 Eagle Street, Brisbane, Queensland.

## ORDINARY BUSINESS

### Resolution – approval of the proposed issue of shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Directors to allot and issue up to 4,012,916 ordinary shares on the terms and conditions set out in the Explanatory Notes.'*

### Voting exclusion statement

MSF will disregard any votes cast on the resolution by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associates of those persons.

MSF need not disregard a vote if:

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

By order of the Board



**Christopher Lobb**  
Company Secretary

Date: 14 December 2010

## NOTES

### Entitlement to attend and vote

In accordance with Regulation 7.11.37 of the Corporations Regulations and ASX Settlement Operating Rule 5.6.1, the Directors have determined that a shareholder's entitlement to vote at the General Meeting is as set out in MSF's share register as at 2.00pm (Brisbane time) on Sunday 16 January 2011. Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the General Meeting.

### Proxy appointment

- A proxy form is attached to this Notice of General Meeting.
- If you are entitled to attend and vote at this General Meeting, you may appoint:
  - a person ('person' can be an individual or a body corporate); or
  - if the shareholder is entitled to cast two or more votes at the meeting, two persons, as your proxy or proxies to attend and vote for you at the meeting. A proxy need not be a shareholder.
- You may appoint a maximum of two proxies and may state on the proxy form what proportion or number of your votes each proxy is being appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of your votes.
- MSF must receive at least 48 hours before the meeting:
  - your completed proxy form; and
  - if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it.
- Any proxy form received after this deadline (including at the General Meeting) will be invalid.

- The proxy form (and any authority appointing an attorney or corporate representative) must be sent to MSF's share registry, Link Market Services Limited by way of:
  - post to:  
The Maryborough Sugar Factory Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235;
  - fax to:  
in Australia: 02 9287 0309  
outside Australia: +61 2 9287 0309;  
or
  - delivering to:  
Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000.

### Body corporate representative

Any corporation wishing to appoint a person to act as representative at the meeting may do so by providing that person with:

- a letter or certificate authorising the person to act as the corporation's representative in accordance with the corporation's constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.



# EXPLANATORY NOTES

---

These Explanatory Notes are an explanation of, and contain information about, the resolution to be considered at the General Meeting, which is set out in the accompanying Notice of General Meeting, to assist MSF shareholders ('Shareholders') to determine how they wish to vote on the resolution. These Explanatory Notes form part of the Notice of General Meeting and should be read together with the Notice of General Meeting.

The Board of MSF strongly recommends that Shareholders vote in favour of the item of business being proposed at the meeting. The Chairman intends to vote undirected proxies in favour of the item of business.

## 1 Background

On 14 December 2010, MSF announced that it had secured firm commitments from subscribers to participate in a placement to raise approximately \$37.9 million ('Placement') through the issue of 12,038,747 ('Placement Shares') at an issue price of \$3.15 per Placement Share.

The Placement included two components, an unconditional placement to raise approximately \$25 million and a conditional placement to raise \$13 million.

The agreement to issue up to 4,012,916 shares under the conditional placement is subject to shareholder approval (which is the subject of the Resolution) ('Conditional Placement Shares'). Prior to the date of this General Meeting, the balance of the Placement Shares (being 8,025,831 shares) will have been issued.

MSF is also intending to offer existing eligible Shareholders with a registered address in Australia or New Zealand the opportunity to participate in a non-underwritten Share Purchase Plan ('SPP') of up to A\$15,000 per eligible shareholder at A\$3.15 per share (the same price offered to sophisticated and/or professional investors under the Placement). Further details of the SPP will be provided to eligible Shareholders in due course.

MSF intends to use the funds raised from the Placement to facilitate entry into the Northern Milling Joint Venture ('NMJV') and to fund part of the exercise price

of MSF's call option to acquire the assets contributed by Bundaberg Sugar Ltd to the NMJV.

As outlined in the transaction announcements on 13 December 2010, a key benefit expected is to enable MSF to capture strong sugar futures prices for the 2011 season from the significant unhedged portion of the NMJV's 2011 raw sugar production. Incremental interest from Bundaberg Sugar Ltd's assets is expected to contribute approximately \$12–14 million normalised EBITDA in the year ending 31 December 2011.

The issue of the Conditional Placement Shares allows MSF to maintain a conservative level of gearing with pro-forma net debt (on a 30 June 2010 basis) of approximately \$55 million, excluding any incremental funds raised from the SPP.

Your Board does recognise the potential negative unforeseen impacts of weather and commodity price volatility on your Company's operations, and as a principle, your Board believes in maintaining low levels of debt and conservative ratios of financial gearing in funding of the Company. Therefore, your Directors strongly recommend Shareholders approve the issue of these shares given the funds received will further strengthen the balance sheet of MSF.

As detailed in this Notice of General Meeting, MSF is seeking Shareholder approval pursuant to the Resolution to issue the Conditional Placement Shares.

## 2 Resolution – placement of Conditional Placement Shares

### a General

The Resolution seeks Shareholder approval for the allotment and issue of up to 4,012,916 ordinary shares at an issue price of \$3.15 per share.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval (subject to specified exceptions) issue or agree to issue, during any 12 month period, any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities

exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The issue of the Conditional Placement Shares would exceed MSF's 15% annual placement capacity under ASX Listing Rule 7.1 and therefore requires the approval of Shareholders.

### b Technical information

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed placement of the Conditional Placement Shares:

- the maximum number of Conditional Placement Shares to be issued is 4,012,916;
- the Conditional Placement Shares will be issued on or about 19 January 2011 and it is intended that the allotment will occur on or about 20 January 2011. In any event, the Conditional Placement Shares will be issued and allotted no later than 3 months after the date of the General Meeting;
- the issue price will be \$3.15 per Conditional Placement Share;
- the Conditional Placement Shares will be issued to professional and/or sophisticated investors who satisfy the requirements of section 708(8) of the Corporations Act 2001 and who have been selected through a bookbuild process;
- the Conditional Placement Shares will be fully paid ordinary shares in the capital of MSF issued on the same terms and conditions as MSF's existing shares; and
- MSF intends to use the funds raised from the issue of the Conditional Placement Shares to facilitate entry into the Northern Milling Joint Venture ('NMJV') and to fund part of the exercise price of MSF's call option to acquire the assets contributed by Bundaberg Sugar Ltd to the NMJV.

### c Enquiries

Shareholders should contact the Company Secretary on (07) 4043 3319 if they have any queries in respect of the matters set out in this document.