
TASFOODS LTD

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20 June 2019

ASX Release

TasFoods notice under section 708AA(2)(f) of the Corporations Act

TasFoods Ltd (ASX: TFL) (**Company**) has today announced that it is undertaking a 1 for 3.099 non-renounceable rights issue of new shares in the Company (each, a **New Share**) at \$0.12 per New Share (**Issue Price**) to raise \$8.0 million (before costs) (**Rights Issue**).

Under the Rights Issue, New Shares will be offered to all Shareholders who are, as at 7pm (Sydney time) on Tuesday, 25 June 2019, registered with a registered address in Australia or New Zealand (**Eligible Shareholders**). The Rights Issue is fully underwritten.

Furthermore, two of the Company's substantial shareholders, being CVC Limited (**CVC**) and Tasplan Superannuation Fund (**Tasplan**), have indicated their intention to support the Rights Issue by taking up their full Entitlement¹, and in CVC's case, sub-underwrite any shortfall under the Rights Issue (**Shortfall**) up to a total investment of approximately \$6.5 million.

In accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company hereby gives notice that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is given by the Company under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the New Shares.
- (e) The potential effect that the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the

¹ As defined in the offer booklet for the Rights Issue (**Offer Booklet**) also given to ASX today.

level of acceptances by Eligible Shareholders and the level of any new investor² demand in the event there is a Shortfall.

However, given that the Issue Price is at a discount to the Company's recent Share³ price (encouraging a take up of New Shares), the small number of substantial holders, the fact that the Rights Issue is fully underwritten and because Eligible Shareholders are able to apply for Additional New Shares⁴, the Company does not expect that the Rights Issue will have a material effect on the control of the Company.

The table below sets out each of the Company's substantial Shareholders' (ie those Shareholders who hold at least 5% of the Shares) relevant interest in Shares and also their expected relevant interest in Shares following completion of the Rights Issue (assuming that there is no Shortfall (ie assuming that all Eligible Shareholders apply for their full Entitlement under the Rights Issue)):

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	12,264,896	50,273,637	18.40%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	4,941,012	20,253,138	7.41%
CVC	13,348,795	6.46%	4,307,472	17,656,267	6.46%
All other existing Shareholders	114,390,719	55.37%	29,754,362	121,962,716	55.37%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

As far as the Company is aware and based on substantial holding notices that have been lodged prior to the date of this Offer Booklet, there are no Shareholders with voting power of 20% or more in the Company.

The potential effect of the issue of New Shares under the Rights Issue on the control of the Company is as follows:

- If an Eligible Shareholder does not take up all of their Entitlement, then the proportionate interest of that Eligible Shareholder will be diluted.
- The proportionate interests of Shareholders with registered addresses outside of Australia or New Zealand will be diluted because such Shareholders are not entitled to participate in the Rights Issue.
- If no Eligible Shareholders (other than Tasplan and CVC (each of whom have committed to take up their Entitlement in full)) and no new third party sophisticated or professional investors participate in the Rights Issue (in which case CVC will be required to subscribe for its total sub-underwriting commitment), the expected relevant interests of the Company's substantial holders on completion of the Rights Issue would likely be as follows:

² The Company intends to allocate any Shortfall as follows: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares, (ii) secondly, to any third-party sophisticated or professional investors who are introduced to the Company by the Underwriter and who apply for New Shares and (iii) thirdly, to CVC

³ As defined in the Offer Booklet.

⁴ As defined in the Offer Booklet.

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	0	38,008,741	13.91%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	0	15,312,126	5.60%
CVC	13,348,795	6.46%	58,333,333	71,682,128	26.23 ⁵ %
All other existing Shareholders	114,390,719	55.37%	92,351 ⁶	114,483,070	41.89%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

- If all Eligible Shareholders (other than CVC and Tasplan, each of whom have committed to take up their Entitlement in full) take up half (ie 50%) of their Entitlement, then the expected relevant interests of the Company's substantial holders on completion of the Rights Issue would likely be as follows:

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	6,132,448	44,141,189	16.15%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	2,470,506	17,782,632	6.51%
CVC	13,348,795	6.46%	31,366,578	44,715,373	16.36%
All other existing Shareholders	114,390,719	55.37%	18,456,152	132,846,871	48.61%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

It is not known the extent to which (or if at all) Janet Cameron or Ellerston Capital will participate in the Rights Issue.

Janelle O'Reilly
Company Secretary
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⁵ Although unlikely, CVC intends to rely on Item 10 of section 611 of the Corporations Act if its relevant interest is to exceed 20%.

⁶ In such circumstances, these New Shares (ie the approximately 92,351 New Shares remaining after each of CVC and Tasplan have subscribed for the maximum number of New Shares their respective commitments require) would be issued to either the Underwriter or to other placees arranged by the Underwriter.

About TasFoods

TasFoods, established in 2015, is a diversified food business focused on leveraging the natural attributes of Tasmania's agricultural and food production environment to create premium food products for sale to Australian and export customers.

The company owns a stable of high value food brands, focused on the three key product categories of Chicken (Nichols Poultry), Dairy (Pyengana, Meander Valley and Robur Farm) and Horticulture (Shima Wasabi).

TasFoods has a strong and loyal customer base in Tasmania and continues to focus on showcasing the State's finest produce to the world.

