



Lifestyle

## Directors depart VDL owner

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FIVE directors and the chief executive of the company that controls the \$280 dairy farms that used to belong to the Van Diemens Land Company resigned en masse yesterday.

Disagreement about a restructure plan and farm management issues, including lack of investment in water storage and irrigation, prompted the non-executive directors and chief executive Evan Rolley to leave Moon Lake Investments.

It is understood the directors and Mr Rolley unanimously agreed on a strategy for the company but owner Xianfeng Lu “wasn’t listening”.

It is understood Mr Lu was reluctant to invest at the rate of about \$4 million a year needed to turn around the operation.

Directors believed the lack of investment impacted their ability to fulfil their corporate- governance duties.

In a statement, former Moon Lake deputy chairman and former Tasmanian treasurer David Crean said proper governance arrangements were not being considered in the proposed restructure.

“The non-executive directors of the board had particular issues with the restructure arrangements relating to the running of the 24 VDL farms in North-West Tasmania,” Dr Crean said.

Under the restructure plan, Moon Lake Investments would be transferred to the ownership of Ningbo Xianfeng New Material Co Ltd (APlus), of which Mr Lu is a significant shareholder. The company is listed in China and makes sun-shading products.

In a statement Mr Lu said the restructure had been approved by the Foreign Investment Review Board. He is sole owner of Moon Lake Investments, which bought the assets of the VDL Company in February 2016 for \$280 million.

Mr Lu said the restructure would provide greater access to capital for investment in new value-added dairy products in Australia such as organic UHT milk and yoghurt.

He said Moon Lake and its sister company Van Dairy would be moved under control of a new holding company.

The board of the new holding company will appoint a new chief executive for the group and a general manager for VDL Farms.

“It will be business as usual on VDL Farms’ 24 dairy properties in Tasmania’s North-West, and there will be no loss of jobs,” he said.

Moon lake’s departing non-executive directors are Keith Sutton, Rob Poole, Bruce Donnison, Simon Lyons and Dr Crean.

Former retailer Jan Cameron, who had a tilt to buy VDL in 2016, wondered if promises made to FIRB at the time had been kept. 'One of the promises made was that they would invest \$100 million and employ 95 more people - I'd like to know if he has done that?' Ms Cameron said.

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