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None

SJ – Moon Lake lessons learned

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CHINESE businessman Xiangeng Lu created Moon Lake Investments specifically to buy the Van Diemen's Land company, promising an additional \$100-million investment across five years and aiming to increase job numbers from 140 to 235.

But Moon Lake's former deputy chairman David Crean said the majority of the planned \$100m investment would have been in value adding to the milk produced on the company's 25 farms.

The board asked for \$20m to be spent on the farms in the next five years, and \$2m to be spent on drought proofing.

"The capital expenditure on the farms was to maintain a sustainable farming business," Mr Crean said.

"Whatever he wanted to do in value adding wasn't part of our remit.

"There is the farm, and there is value adding.

"We had no responsibility for that - I understand he wanted to build a powder factory and value add to his milk, but that wasn't our responsibility.

"Our responsibility ended at the farmgate."

Also influencing the directors' decision to quit was the proposed restructure of Moon Lake Investments, which would remove VDL's chief executive.

That role is to be replaced by a general manager, who would work under Mr Lu's APlus company.

A spokesman for Mr Lu said the company's record since buying the property had been to maintain all jobs, despite the 2016-17 milk price collapse.

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