

**Dear Shareholders,**

**The Convening Shareholders wish to advise Shareholders who have supported the Convening Shareholders proposals regarding change in the Board of AHF that it has been decided, in the best interests of achieving this goal, to postpone the Shareholders Meeting (EGM), that was scheduled to be called by the Convening Shareholders for Friday 18 November 2022.**

**The EGM will be postponed to a date in early March 2023, which will be after the ASX publication of the December 2022 Half Yearly Financial Report, and the lodgement of the Appendix 4C Cash Report.**

**The Convening Shareholders believe that the above reports will strongly substantiate the Convening Shareholders' considered concerns raised about the Company's disastrous performance and potential liquidity issues.**

**On the 18th October 2022, the Convening Shareholders issued a Notice of Meeting to all shareholders in the AHF Group, to convene a special meeting of shareholders with the primary purpose being to attempt to bring about change in the structure of the AHF Group's Board, by removing certain directors and replacing them with candidates, who in the opinion of the Convening Shareholders, are highly experienced in the promotion and sales of the dairy related consumer products manufactured by the AHF Group.**

In recent weeks there has been considerable correspondence and website notifications provided to AHF Shareholders – both by the Convening Shareholders and also by the Board of AHF.

The Convening Shareholders are of the following view:

- The AHF Board and executive management have released misleading information about the Convening Shareholders, nominated directors and the proposed plan to change the course of the Company, further time is required to ensure that the Convening Shareholders can correct the misleading messaging.
- The Convening Shareholders believe the AHF Board and executive management have made misleading statements to shareholders about the experience and abilities of the AHF Board and Executive management. The Convening Shareholders believe that the AHF board and Executive managements' actions to date have put the Company in a precarious position.
- The Chairman of AHF recently approached one of the Convening Shareholders and made representations about potential as yet undisclosed transactions for the Group. These transactions are apparently in the early stages of negotiation. As a result of the Convening Shareholders' actions, the Chairman believes these negotiations have been negatively impacted. In an effort to not negatively impact those negotiations, the Convening Shareholders have agreed to defer the meeting to allow those negotiations to advance without a highly divided shareholder base.

The Convening Shareholders have raised numerous concerns about the management of the AHF Group and the current Board's capacity to achieve a positive return on shareholder investments, and to maintain adequate financial resources to properly operate and expand the Company's business – without selling off further valuable farming assets.

The view of the Convening Shareholders has not changed. In fact, those concerns have been amplified by several recent largely unsubstantiated announcements by the Board about the Company's prospects.

It is always a difficult task to convince the majority of a company's shareholding base to make material changes to the Board of the Company.

The Convening Shareholders believe that the performance of the Company in terms of sales of products, and its cash liquidity position will continue to deteriorate without raising additional capital in the immediate future, which will again, be highly dilutive to all shareholders, with the exception of the Board Members, who together own a miniscule percentage of the Company, with extremely generous performance incentives to be issued with fully paid bonus shares to senior management and board members.

The Convening Shareholders sincerely thank those Shareholders who have to date supported the initiative to bring about change. Our task is not completed and given that the Convening Shareholders hold substantial shareholdings in the Group, which were paid for at materially higher prices than have been seen for AHF in the last couple of years, the Convening Shareholders will continue to work to find a solution to the malady that is the AHF Board and senior executive.

The Convening Shareholders will continue to comment on and update shareholders through emails and website information and in particular will be advising of the dates of the Proposed Adjourned Meeting in March 2023.

**The convening shareholders will also be making recommendations on voting for the resolutions in the coming AGM**

Please do not hesitate to keep in touch with the Convening Shareholders via email and the below website address

<https://www.ahfshareholderaction.com.au>

Thankyou

## **AHF SHAREHOLDER ACTION GROUP**

**"Concerned shareholders acting in the interests of all shareholders of the ADNL Group"**