



PEFACO INTERNATIONAL P.L.C.

COMPANY ANNOUNCEMENT

Share Transfer and Subscription Agreements

Date of Announcement

5th October, 2015

Reference:

10/2015

The following is a company announcement issued by Pefaco International plc ("the Company") pursuant to the Malta Financial Services Authority Listing Rules

Quote

With reference to Company Announcement PFC 11, the Company announces that:

(1) a Share Transfer and Shareholders Agreement (the "**STSHA**") has been entered into between Grupo Pefaco S.L. ("**GPSL**"), the Company's majority shareholder, and GCP Investment Holdings ("**GCP**"), an investment holding company based in Mauritius, acting for itself and for each of a group of several new investors (collectively with GCP, the "**New Investors**") on 30 September 2015, pursuant to which GPSL and GCP have agreed the terms of a private placement and transfer by GPSL of 6,101,015 listed Ordinary Shares to the New Investors (the "**Transfer**") and, following the Transfer, the private contractual terms pursuant to which GPSL and the New Investors wish to regulate their relationship as shareholders in the Company; and

(2) two subscription agreements each dated 30 September 2015 (the "**Subscription Agreements**") one entered into between the Company and GPSL and one entered into between the Company and GCP, acting for itself and for each of the New Investors, pursuant to which the Company has agreed to issue, and GPSL and GCP (for itself and for each of the other New Investors) have agreed to subscribe (collectively) 2,013,335 new listed Ordinary Shares (the "**Issuance**", and together with the Transfer, the "**Transaction**"). As the 2,013,335 new Ordinary Shares being privately placed with the New Investors and GPSL will represent 9.9% of the number of Ordinary Shares already admitted to listing on the Official List of the Malta Stock Exchange, the Company will be exempt from the requirement to publish a prospectus in respect of the Issuance in accordance with the exemption set out in Listing Rule 4.7.1.

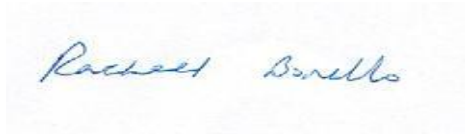
The Transaction will result in the New Investors collectively acquiring a 30% shareholding in the Company (with GPSL's shareholding reduced to 66.56%) and with the Company receiving €15,000,000 in subscription proceeds for the Issuance. The Transaction will also result in 23.34% of its Ordinary Shares being held in the public hands (i.e. between the New Investors and the existing minority shareholders).

The STSHA and the Subscription Agreements are legally binding agreements conditional upon the fulfilment of a number of conditions, including (but not limited to) approval by extraordinary general meeting of certain amendments to the Company's Memorandum and Articles of Association (also subject to the prior approval of the Listing Authority), approval by extraordinary general meeting of (and waiver of pre-emption rights by all of the existing shareholders of the Company in relation to) the proposed issuance and allotment of Ordinary Shares, and all necessary regulatory approvals. It is therefore possible that the Transaction might not occur if these conditions are not satisfied.

The proposed amendments to the Company's Memorandum and Articles of Association include the reclassification of the currently listed Ordinary Share class of the Company as the 'Ordinary A Share' class and the creation of an entirely new 'Ordinary B Share' class (which will not be listed). The Ordinary B Share class (with one Ordinary B Share intended to be issued and subscribed by GCP, also pursuant to the relevant Subscription Agreement noted above) would have specific class rights that are intended to provide protection to all minority shareholders and act as a check and balance on the Company's management and on GPSL as its majority and controlling shareholder.

If the Transaction does conclude, it is expected to take place no later than 15 November 2015. The Company will update the market in due course by further announcement(s) with any further relevant developments and upon the closing of the Transaction or otherwise. The Company advises caution to avoid the creation of a false market in its securities.

Unquote

A handwritten signature in blue ink that reads "Rachael Bonello". The signature is written in a cursive style and is centered within a light blue rectangular box.

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Rachael Bonello

Company Secretary

5th October 2015

