

1 April 2016

ASX CODE: BFC

MANUFACTURING AND DISTRIBUTION AGREEMENT FOR CHINA

Beston Global Food Company Limited ('BFC' or the 'Company') is pleased to announce the signing of a Manufacturing and Distribution Agreement with Chinese company Hondo Agricultural Company ("Hondo") for the production, marketing and distribution of its range of allergen free, ready-to-eat meat meals in China.

The Chairman of BFC, Dr Roger Sexton, said that the Agreement was an important stepping stone for BFC in building its presence in important consumer markets in China.

"Notwithstanding the ChAFTA Free Trade Agreement, Australia is not permitted, under Chinese import regulations, to export processed meat products to China", he said,

"We have been working with Hondo for some time, together with Chinese and Australian authorities, to find a way of taking our "no numbers" (i.e. no preservatives, no colourings, no artificial additives) range of meat products in the BFC portfolio to consumers in China who are increasingly looking for healthy, nutritious, high protein foods for their families".

The ready-to-eat meat meals will be sold to the retail and food service sector in China under the "Yarra Valley Wholesale Meat" brand owned by BFC investee company, Scorpio Foods ('Scorpio').

The CEO of BFC, Mr Sean Ebert noted that the Agreement with Hondo will enable Scorpio to export frozen boned out meat to China for transformation into ready-to-eat meat meals in Hondo's existing facilities in Henan province. Scorpio will provide the recipes for the meals under a proposed licence to Hondo.

"The proprietary sauces and other key natural ingredients in the meals will be supplied by Scorpio to Hondo for manufacturing of the final products under technical and QA supervision by Scorpio", Mr Ebert said.

Under the terms of the proposed Licencing Agreement, Scorpio will earn a royalty on its intellectual property in addition to earning revenues on its sale of raw materials and fees for services rendered. BFC will provide Chinese consumers with product provenance and anti-counterfeiting verification on the products with its patent pending OZIRIS and Brandlok technologies.

Hondo will be responsible for marketing and distributing the products through its existing distribution network and established customer base. Hondo is targeting to manufacture and distribute 15,000 tonnes of Scorpio's "Yarra Valley" products in the first full year of operations and 20,000 tonnes in the second year.

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The Hondo Agricultural Company is one of the largest meat processors in China and was one of the first companies in China to import live cattle from Australia.

Hondo's parent company, Chongqing Agricultural Products (Group) Co. Ltd is a leading agribusiness company in China and has an ownership structure based around farmer cooperatives in South Western China.

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