

ASX ANNOUNCEMENT

14 October 2019

SALE OF ROCK LOBSTER LICENCES AND QUOTAS

As previously advised to shareholders, Beston Global Food Company Limited (ASX: BFC) has participated in a sale process initiated by the Ferguson Family following a decision by the Fergusons to place their 68% shareholding in Ferguson Australia Pty Ltd and other seafood assets on the market.

The sale process commenced early in 2018 and was conducted by a private tender using an advisory firm appointed by the Ferguson Family.

BFC advised shareholders that it intended to exit its investment in the sale process, along with lobster licenses and other property leased to Fergusons.

Accordingly, BFC resolved as at 30 June 2018 that the equity investment held by BFC in Ferguson Australia Pty Ltd (i.e. a 32% shareholding in Ferguson Australia) along with corresponding property (land and building), plant and equipment and intangible assets owned by BFC and leased to the Ferguson Australia Group, would be reclassified as assets held for sale as at 30 June 2018 and disclosed separately within the BFC consolidated balance sheet, at their fair value less cost of disposal.

The equity investment in Ferguson has not performed to the levels expected, either against previous historical results or the forecasts prepared by independent professional firms and have not paid dividends to BFC as expected.

As at 30 June 2019, the Ferguson family had not achieved a sale of Ferguson Australia Pty Ltd. BFC consequently resolved to place its BFC-owned Rock Lobster Licences and Quotas on the market for independent sale.

BFC is pleased to announce that it has completed the sale of its South Australian Southern Zone and Northern Zone Rock Lobster Licences and Quotas (as at close of business on 11 October 2019) for a consideration of \$7,500,000. The sale of the Licences and Quota has generated a profit of \$2.6 million before tax.

Commenting on the sale, CEO Jonathan Hicks advised that part of the proceeds would be used to reduce debt and part would be used to fund a number of planned efficiency projects.

“Further to the write-down of the investment in Ferguson Australia Pty Ltd, BFC intends to divest its remaining assets associated with its investment in Ferguson Australia Pty Ltd,” Mr Hicks said.



BESTON GLOBAL FOOD COMPANY LIMITED

ABN 28 603 023 383

A member of the Beston Global Food Company Group of Companies

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The Chairman of BFC, Dr Roger Sexton, stated that the sale is consistent with the Board’s announced strategy of focusing BFC on being a protein company with wholly owned capability in the production of dairy protein, meat protein and plant based protein products.

He noted that the aim of BFC from the outset has been to be a niche player in the food and beverage industry by selling a diverse range of health oriented, safe, “clean and green” products into global markets with a particular focus on China and Asia.

“The Company has responded to changing circumstances as we have moved from the first phase of our business growth strategy (ie., to fix, focus and build out the acquired asset base) to the second phase of growth (ie., consolidation) by concentrating its efforts in the areas where the Company can achieve the greatest return on capital employed. The divestment of the rock lobster licences and quotas, along with the various restructuring changes put in place in FY19, will assist in facilitating the achievement of this objective,” he said.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT BESTON GLOBAL FOOD COMPANY LIMITED

Beston Global Food Company is a proud SA multi award-winning company taking the best of Australian produce to the world with fresh milk supplied by valued Farmers. The company provides direct and indirect employment for nearly 300 people. For more information please visit:

www.bestonglobalfoods.com.au



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