

Thursday, 17 December 2020

ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Beston Global Food Company Limited (ASX Code: BFC)

Cleansing Notice – Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Beston Global Food Company Limited ACN 603 023 383 (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**ASIC Instruments**). Where applicable, references in this notice to sections of the Corporations Act are to those sections as modified by the ASIC Instruments.

The Company today announced a non-renounceable pro-rata entitlement offer for New Shares in the Company to raise up to approximately \$15.6 million (**Entitlement Offer**). The Entitlement Offer is partially underwritten to \$7.25 million.

Under the Entitlement Offer, the Company's existing shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) will be entitled to subscribe for 1 New Share for every 2.5 ordinary shares they hold in the Company as at 7:00pm (AEDT) on the record date, being Wednesday, 23 December 2020. Eligible Shareholders who accept their Entitlement in full will also have the opportunity to apply for Additional New Shares in excess of their Entitlement under a 'top up' facility. These Additional New Shares will not be available if all Shareholders take up their full Entitlement.

Each New Share issued under the Entitlement Offer will be issued at the issue price of \$0.065. The Entitlement Offer will be open from Tuesday 29 December 2020 to Thursday, 14 January 2021, unless extended. An Offer Booklet will be sent to Eligible Shareholders on Tuesday, 29 December 2020.

With respect to the Entitlement Offer, the Company confirms that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;

- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by the ASIC Instruments;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708A(8) and 708A(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act;
- (e) the potential effect of the issue of New Shares on the control of the Company and the consequences of that effect will depend on a number of factors, including shareholder demand under the Entitlement Offer, the underwriting and sub-underwriting arrangements in relation to the Entitlement Offer as set out below, existing shareholdings in the Company and the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer and apply for shares under the top up facility. Having regard to those factors, the Offer is not expected to have any material effect or consequence on the control of the Company.
 - (i) Given the structure of the Offer, the potential effect that the issue of the New Shares will have on control of the Company is as follows:
 - (A) if all of the Eligible Shareholders take up their entitlements to New Shares under the Entitlement Offer, there will be no material effect on the control of the Company as Eligible Shareholders would continue to hold the same percentage interest in the Company. Shareholders who are ineligible to participate in the Entitlement Offer will have their percentage holding in the Company's shares diluted as a consequence of the issue of New Shares. If the New Shares of ineligible shareholders are acquired by Eligible Shareholders, those shareholders percentage interest in the Company would increase; and
 - (B) to the extent that an Eligible Shareholder fails to take up their entitlement under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company's shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement (and those who acquire more New Shares than their entitlement).

- (ii) The Company has entered in to an Underwriting Agreement with MST Financial Services (**MST Financial**) and Aitken Murray Capital Partners (**Aitken Murray**)(together, the **Underwriters**) to underwrite \$7.25 million of the Entitlement Offer. The Underwriters are entitled to appoint sub-underwriters. The issue of New Shares to the Underwriters or sub-underwriters may increase the voting power of each of the Underwriters or the sub-underwriters in the Company, however this is not expected to have any material effect or consequence on the control of the Company.

Yours faithfully



Richard Willson
Company Secretary
Beston Global Food Company Limited