

## ASX RELEASE

29 December 2020

ASX: BFC

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### ENTITLEMENT OFFER BOOKLET

Beston Global Food Company Limited (ASX: BFC) ('BFC' or the 'Company') advises that the attached entitlement offer booklet has been sent to shareholders today.

This ASX release was approved and authorised for release by Dr Roger Sexton AM, Chairman.

#### Social Media Handles:

**Facebook:**

@bestonglobalfoods  
@edwards.crossing  
@mablesaustralia

**Twitter:**

@BestonGlobal  
@edwards\_crossing  
@mablesaustralia

**Instagram:**

@bestonglobal  
@edwardscrossing  
@mablesaustralia

#### 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](http://www.bestonglobalfoods.com.au)

# BESTON GLOBAL FOOD COMPANY LIMITED

ACN 603 023 383

## **Entitlement Offer**

A non-renounceable pro rata entitlement offer to Eligible Shareholders of 1 New Share for every 2.5 Existing Shares held as at the Record Date at an offer price of \$0.065 per New Share to raise up to approximately \$15.6 million. The Entitlement Offer is partially underwritten.

The Closing Date of the Entitlement Offer is 5.00pm (AEDT) Monday, 18 January, 2021.

**ASX code: BFC**

## **IMPORTANT NOTICE**

This Offer Booklet is an important document and should be read in its entirety.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document.

If after reading this Offer Booklet you have any questions about the securities being offered under this Offer Booklet or any other matter, then you should consult your financial adviser, stockbroker, accountant or other professional adviser.

**Joint Lead Managers** – MST Financial Services Pty Ltd ACN 617 475 180 (AFSL 500557)  
Aitken Murray Capital Partners Pty Ltd ACN 169 972 436 (AFSL 517935)

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

# Beston Global Food Company Limited ACN 603 023 383

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# Important information

This Offer Booklet is issued by Beston Global Food Company Limited ACN 603 023 383 (**Company**) and is dated 29 December 2020.

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

The information in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia, New Zealand, Hong Kong, and Singapore (and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*). Please refer to section 1.4 of this Offer Booklet for Eligible Shareholder criteria.

## Note to Applicants

The information contained in this Offer Booklet is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Offer Booklet carefully and in full before deciding whether to participate in the Entitlement Offer. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company, as set out in section 5 of this Offer Booklet. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to participate. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

In preparing this Offer Booklet, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult. You should therefore have regard to the other information disclosed to ASX in relation to the Company before deciding whether to participate.

No person named in this Offer Booklet, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Shares.

## No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## Obtaining a copy of this Offer Booklet

This Offer Booklet is distributed to all Eligible Shareholders by email or post depending on the Eligible Shareholder's nominated communication preferences. It is also available in hard copy and electronic form on the Company's website [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au), the ASX website [www.asx.com.au](http://www.asx.com.au) or by contacting the Share Registry.

Eligible Shareholders who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet.

The Entitlement Offer constituted by this Offer Booklet in electronic form is available only to Eligible Shareholders. Hard copy and electronic versions of this Offer Booklet are not available to persons in jurisdictions other than Australia or New Zealand, including the United States.

By making an Application, you declare that you were given access to this Offer Booklet, together with an Entitlement and Acceptance Form and that you have acted in accordance with, and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

During the Offer Period, any Eligible Shareholder may obtain a hard copy of this Offer Booklet free of charge by calling the Share Registry between 8.30am and 5.00pm (AEDT) Monday to Friday during the Offer Period:

Link Market Services: 1300 554 474 (Within Australia)  
+61 1300 554 474 (Outside Australia)

## Statements of past performance

Information about the Company's past performance and pro forma financial information included in this Offer Booklet is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Offer Booklet is, or is based on, information that has previously been released to the ASX.

## Financial information and forward looking statements

This Offer Booklet includes historical financial information and pro forma historical financial information.

This Offer Booklet contains forward looking statements which may (but need not) be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Other forward looking statements included in this Offer Booklet include statements regarding the outcome and effects of the Entitlement Offer and the Company's future commercial and financial performance.

Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Offer Booklet will actually occur and Shareholders are cautioned against placing undue reliance on these forward looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risks outlined in section 5 of this Offer Booklet.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Offer Booklet, except where required by law.

## Diagrams and data

Diagrams used in this Offer Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Offer Booklet.

## Company website

Any references to documents included on the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au) are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference, except ASX announcements.

## Defined terms, currency and time

Capitalised terms and abbreviations used in this Offer Booklet have the meanings given to them in the Glossary.

Unless otherwise stated or implied, references to times in this Offer Booklet are to AEDT.

All dollar values are in Australian dollars (**\$, A\$ or AUD**), and financial data is presented as at financial year ended 30 June 2020 unless stated otherwise. Rounding of figures provided in this Offer Booklet may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

## Disclaimer

No person is authorised to provide any information or to make any representation in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representations not contained in this Offer Booklet may not be relied upon as having been authorised by the Company, its Directors or any other person in connection with the Entitlement Offer.

## Selling restrictions

This Offer Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Entitlement Offer or the New Shares issued under the Entitlement Offer, or to otherwise permit an offering of New Shares under the Entitlement Offer, in any jurisdiction outside Australia and New Zealand.

Return of your Entitlement and Acceptance Form or your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia, New Zealand, Singapore or Hong Kong.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and other than to Eligible Shareholders in New Zealand, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Offer Booklet outside Australia, New Zealand, Singapore and Hong Kong should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Offer Booklet may not be released or distributed in the United States.

## Important information for New Zealand investors

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand authority. This Offer Booklet is not a product disclosure statement or other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The New Shares are not being offered to any retail investors within New Zealand other than to existing Shareholders with registered addresses in New Zealand pursuant to the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

## Privacy

By making an Application to apply for New Shares, you are providing personal information to the Company through the Share Registry that may be personal information for the purposes of the *Privacy Act 1988* (Cth).

The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application. The Company may also collect, hold and use that personal information in order to service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not provide the

information requested in the Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

By completing an Entitlement and Acceptance Form or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Offer Booklet and the Company's Privacy Policy. The Company's Privacy Policy, also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint. Refer to section 6.6 for further details on privacy.

## Enquiries

Before making a decision about investing in the Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions in relation to the Entitlement Offer or the New Shares, please call the Share Registry between 8.30am and 5.00pm (AEDT) Monday to Friday during the Offer Period:

Within Australia: 1300 554 474  
Outside Australia: +61 1300 554 474

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

## Website

To view annual reports, shareholder and information about the Company, announcements, background information on the Company's operations and historical information, visit the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au).

# Key offer terms

| Key offer terms   |  |
|---|--|
| Offer Price   | \$0.065 per New Share  |
| Entitlement   | 1 New Share for every 2.5 Existing Shares held on the Record Date  |
| Top-Up Offer  | Eligible Shareholders taking up their entitlement in full will have the opportunity to apply for Additional New Shares in excess of their Entitlement (subject to scale back at the sole discretion of the Company). |
| Maximum number of New Shares to be issued under the Entitlement Offer | 241,005,630 New Shares   |
| Maximum amount to be raised under the Entitlement Offer               | \$15.6 million   |
| Maximum number of Shares on issue following the Entitlement Offer     | 843,519,704 Shares   |

This Offer Booklet is dated 29 December 2020. The following are key indicative dates relating to the Entitlement Offer.

| Event  | Date                        |
|--|-----------------------------|
| Entitlement Offer announced  | Thursday, 17 December 2020  |
| Ex Date  | Tuesday, 22 December 2020   |
| Record Date <i>The date for determining Entitlement of Eligible Shareholders to participate in the Entitlement Offer</i> | Wednesday, 23 December 2020 |
| Opening Date<br><i>Offer Booklet and Entitlement and Acceptance Form dispatched to Eligible Shareholders</i>             | Tuesday, 29 December 2020   |
| Closing Date for Entitlement Offer   | Monday, 18 January 2021     |
| New Shares under the Entitlement Offer quoted on a deferred settlement basis   | Tuesday, 19 January 2021    |
| Announcement of results of issue   | Wednesday, 20 January 2021  |
| Issue and allotment of New Shares under the Entitlement Offer<br><i>Settlement date of the Entitlement Offer</i>         | Monday, 25 January 2021     |
| New Shares trade on ASX on a normal settlement basis   | Wednesday, 27 January 2021  |
| Dispatch of holding statements for New Shares  | Wednesday, 27 January 2021  |

Dates and times in this Offer Booklet, other than the date of announcement of the Entitlement Offer and the Record Date, are indicative only and subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Applications, to accept late Applications either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.



# Chairman's Letter

29 December 2020

Dear Shareholder

On behalf of the Board, it is my pleasure to invite you to participate in an entitlement offer for Beston Global Food Company Limited (ASX: **BFC**, "**Beston**" or the "**Company**") at a very significant time in the growth and development of the Company.

## Offer Summary

On Thursday 17 December 2020, Beston announced on the Australian Securities Exchange (**ASX**) its intention to raise up to \$15.6 million through a pro-rata non-renounceable offer (**Entitlement Offer**). The Entitlement Offer is for the purpose of capitalizing on the SA Government grant of \$2.0 million which was recently awarded to Beston to accelerate the expansion of the Company's Lactoferrin plant at Jervois, South Australia by bringing forward Stage 2 of this expansion project.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 2.5 Shares held as at the Record Date, at an offer price of 6.5 cents per New Share. If fully subscribed, the Entitlement Offer will raise approximately \$15.6 million. This offer booklet (**Offer Booklet**) relates to the Entitlement Offer.

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 (**Top-Up Offer**). These Additional New Shares will be available if not all Shareholders take up their full Entitlement (subject to scale back at the sole discretion of the Company). Please refer to Section 1.6 of this Offer Booklet for further details.

New Shares will not be offered to the general public.

## Pricing

The New Shares are offered at an Offer Price of \$0.065 which represents a discount of approximately:

- 23.5% to the Company's closing share price on ASX of \$0.087 on 16 December 2020 (which was the last full day Share trade on ASX before the announcement of the Entitlement Offer); and
- 18.3% to the theoretical ex-rights (**TERP**) price of \$0.08 reflecting the Entitlement Offer; and
- 70% to the implied share price of 21 cents as determined by several recent independent company valuations

The pricing of the Entitlement Offer reflects a decision of the Board to reward the loyalty of our shareholders as we move into this next important stage of growth and profitability via the acceleration of our Lactoferrin plant expansion and the other Company strengthening initiatives which are underway.

## Purpose of Offer

The proceeds raised from the Entitlement Offer will be used to assist with the Stage 2 expansion of the Lactoferrin plant at Jervois, South Australia, in conjunction with the recently received \$2.0 million Regional Growth Fund grant from the South Australian Government. The Entitlement Offer proceeds will also be used to fund the purchase of some ancillary equipment required for the increased production of Lactoferrin and to ensure the plant is able to operate reliably on a 24 hour/7 day week basis.

Funds for the construction of the Stage 1 expansion (to take Lactoferrin production capacity from 3M tonnes per annum (**Tpa**) to 12M Tpa) were raised in an equity placement with institutional shareholders in June 2020. This work is well progressed and is due for completion at the end of February 2021 (with production to commence in March 2021).

The amount of the grant from the SA Government will enable Stage 2 of the planned expansion to take place, thereby further increasing the production capacity of the Lactoferrin plant to over 20M Tpa. The plant expansion has important benefits, such as increasing Australia's self-sufficiency in the production of

immune-boosting Lactoferrin and will have significant flow-on benefits to South Australia's dairy farmers as milk throughput at Jervois increases. The increased production has the potential to capture around 5% of the growing global market for Lactoferrin.

The Stage 2 cost of the Lactoferrin plant expansion is estimated at \$9.5 million. The \$2.0 million grant from the SA Government is conditional on the Company funding the balance of \$7.5 million for this work. By commencing this work soon, a lot of the construction requirements for Stage 2 can be undertaken contemporaneously with Stage 1, thereby bringing forward the timing of the increased production, and saving considerable costs compared to the cost of undertaking Stage 2 as a separate project, sometime in the future.

### **Significance of Lactoferrin Plant Expansion**

Lactoferrin is an iron-binding glycoprotein which is known to be essential in boosting the immune system in the human body. It has anti-bacterial, anti-viral, anti-parasitic and anti-allergic functions and properties. Importantly, particularly in the context of the current COVID-19 pandemic, it has been shown to suppress virus replication by affecting natural killer cells in the human body which play a crucial role in the early stages of viral infections.

Clinical trials are underway around the world on the efficacy of using Lactoferrin as a treatment for COVID-19. Although the number of trials is limited to date, the early results indicate that Lactoferrin may inhibit coronavirus from replicating in the human body.

The findings have further increased the global demand for Lactoferrin, particularly in Europe and China, where it is known as "pink gold" because of its price (around \$1500 per kilogram) and reddish hue after processing. Market studies undertaken *before* the advent of COVID-19 predicted that the demand for Lactoferrin would increase by around 60% over the next few years.

The plant expansion has important benefits in increasing Australia's self-sufficiency in the production of immune boosting Lactoferrin and will enhance the bio-security of the nation.

As detailed in the presentation lodged with the ASX on 22 June, 2020, the additional revenues from Lactoferrin production on completion of Stage 1 have been estimated by Beston management at \$18.0 million. The revenues on completion of Stage 2 have the potential to rise to over \$30 million, most of which will earn high gross margins (likely 60% to 80%, depending on purity and final form of product).

### **Further information**

A personalised Entitlement and Acceptance Form accompanies this Offer Booklet. This form details your Entitlement. If you want to participate in the Entitlement Offer this form must be completed in accordance with the instructions contained in the form.

### **The Entitlement Offer closes at 5.00pm AEDT on Monday, 18 January 2021.**

Please consider seeking independent advice from your stockbroker, financial adviser, accountant or other professional adviser before making an investment decision.

If you have any questions about the Company, please contact Beston directly on 08 8470 6500 or refer to the website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au)

Full details of the Entitlement Offer are set out in this Offer Booklet, which you should read carefully before making an investment decision, including section 5 which addresses risk factors. Any questions about the application process or forms can be directed to the Share Registry on 1300 554 474 (within Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Offer Period.

On behalf of the Board, I invite you to consider the Entitlement Offer and I thank you for your ongoing support of the Company.

Yours sincerely

**Roger Sexton AM**  
**Chairman**  
**Beston Global Food Company Limited**

# Entitlement Offer

## 1. Details of the Entitlement Offer

### 1.1 Overview

BFC intends to raise up to approximately \$15.6 million under the Entitlement Offer via an offer of approximately 241,005,630 million New Shares at an Offer Price of \$0.065 per New Share. Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement up to that number which represents 100% of their Entitlement. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Shareholders who do not take up their full Entitlement.

### 1.2 The Entitlement Offer

The Company makes the following Entitlement Offer:

- (a) a non-renounceable pro-rata offer to Eligible Shareholders of 1 New Share for every 2.5 Shares held as at the Record Date at an Offer Price of \$0.065 per New Share to raise up to approximately \$15.6 million; and
- (b) a Top-Up Offer for Eligible Shareholders, to subscribe for any New Shares not taken up by other Shareholders under the Entitlement Offer, at an Offer Price of \$0.065 per New Share. Applications for those New Shares should be made under the personalised Entitlement and Acceptance Form,

**(the Entitlement Offer).**

The Entitlement Offer is partially underwritten by the Joint Lead Managers to the extent of \$7.25 million. For further details of the Underwriting, see Section 4.5 of this Offer Booklet.

### 1.3 Key details of the Entitlement Offer

The Entitlement Offer is non-renounceable. Eligible Shareholders cannot sell or transfer their Entitlements if they do not wish to take up some or all of the New Shares to which they are entitled. This means that Shareholders who do not take up their Entitlements by 5.00pm (AEDT) on the Closing Date of Monday, 18 January 2021, will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company will be diluted.

Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 2.5 Existing Shares held at 7.00pm (AEDT) on Wednesday, 23 December 2020, at the Offer Price of \$0.065 per New Share.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with Existing Shares on issue. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 2.5 Existing Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

**Note:** the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see section 1.4 of this Offer Booklet) or you sold Shares on ASX before 7.00pm (AEDT) Wednesday, 23 December 2020 but your broker did not settle that sale until after 7.00pm (AEDT) Wednesday, 23 December 2020.

## 1.4 Eligible Shareholders

The Entitlement Offer is made to all Eligible Shareholders. An Eligible Shareholder is a holder of Shares that:

- (a) is the registered holder of Shares as at the Record Date; and
- (b) has a registered address in Australia, New Zealand, Singapore or Hong Kong; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company may (in its absolute discretion) extend the Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Note that the Directors and their associates are prohibited by the ASX Listing Rules from taking up any New Shares in excess of their Entitlement.

## 1.5 No trading of Entitlements

The Entitlements are non-renounceable. This means that your Entitlement to participate in the Entitlement Offer cannot be traded on ASX or any other financial market, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

## 1.6 Top-Up Offer

Eligible Shareholders who take up their Entitlement in full are also able to participate in a further offer of Additional New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them.

In summary:

- (a) the Top-Up Offer is only made to Eligible Shareholders who have fully taken up their Entitlement;
- (b) the Top-Up Offer is not capped but no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company;
- (c) there is no guarantee that any Application for Additional New Shares under the Top-Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top-Up Offer;
- (d) the Top-Up Offer has the same Closing Date;
- (e) the Offer Price of Additional New Shares under the Top-Up Offer is the same as the Offer Price under the Entitlement Offer, that is A\$0.065 per Additional New Share; and
- (f) the Company will not issue Additional New Shares under the Top-Up Offer where to do so would be likely to result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.
- (g) in the event of a scale-back, the difference between the Application Monies received, and the number of Additional new Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Monies received and returned.

## 1.7 Shortfall

The directors of the Company reserve the right to place, issue and allot any shortfall (being New Shares offered but not taken up under the Entitlement offer) at their absolute discretion, at a price not less than the Issue Price within the period permitted under the relevant Listing Rule.

## **1.8 Acceptances**

The Entitlement Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Closing Date of the Entitlement Offer.

Instructions for accepting your Entitlement are set out in section 2.1 and on the Entitlement and Acceptance Form which accompanies this Offer Booklet.

## **1.9 Treatment of Ineligible Shareholders**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions outside Australia, New Zealand, Singapore and Hong Kong, the Company has decided that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This Offer Booklet will not be sent to those Shareholders.

This Offer Booklet does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Offer Booklet or make the Entitlement Offer.

No action has been taken to register or qualify the Entitlement Offer or the New Shares issued under the Entitlement Offer, or to otherwise permit an offering of New Shares under the Entitlement Offer, in any jurisdiction other than Australia, New Zealand, Singapore and Hong Kong.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States of America.

Recipients may not send or otherwise distribute this Offer Booklet or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

The Entitlement Offer is non-renounceable. As a result, Ineligible Shareholders will not receive any value equivalent to the Entitlement attributable to the Shares held by the Ineligible Shareholder.

## **1.10 Beneficial holders, nominees, trustees and custodians**

Nominees and custodians that hold Shares should note that the Entitlement Offer is only being made to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Entitlement Offer). Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand, Singapore and Hong Kong, except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

## **1.11 Rights and liabilities attaching to New Shares**

The New Shares issued under this Offer Booklet will be fully paid ordinary shares and will, as from their issue, rank equally in all respects with all Shares then on issue.

The rights and liabilities attaching to the Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Operating Rules. The Constitution may only be varied by a special resolution which is a resolution passed by at least 75% of the votes cast by Shareholders present (and entitled to vote).

Full details of the rights and liabilities attaching to the Shares are detailed in the Constitution, a copy of which can be inspected free of charge at the Company's registered office during normal business hours.

### **1.12 Issue of New Shares and Application Monies**

New Shares will be issued as soon as practicable after the relevant Closing Date subject to ASX granting permission for the New Shares to be quoted.

All Application Monies will be deposited into the Share Registry trust account and will be held on trust for Applicants until the New Shares are issued or the Application Monies are returned. Any interest that accrues will not be paid to Applicants.

### **1.13 ASX quotation and trading**

The Company will notify ASX of the proposed issue of the New Shares on the date of this Offer Booklet and apply for quotation of the New Shares on ASX within 5 business days after the Closing Date of the Entitlement Offer (or as otherwise required by ASX).

While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If ASX does not grant permission for quotation of the New Shares offered under this Offer Booklet within three months after the date of this Offer Booklet, or such longer period as modified by ASIC, none of the New Shares offered by this Offer Booklet will be issued. In these circumstances, Applications will be dealt with in accordance with the Corporations Act including the return of all Application Monies without interest.

Quotation of the New Shares issued under the Entitlement Offer (if granted by ASX) will commence as soon as practicable after holding statements in respect of the New Shares are despatched.

The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Holding statements will be despatched in accordance with the ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving their confirmation of issue will do so at their own risk. The Company and the Share Registry disclaim all liability (to the maximum extent permitted by law in tort (including negligence), statute or otherwise), to any person who trades in New Shares before receiving their holding statements, whether on the basis of a confirmation of issue provided by the Company or the Share Registry, or otherwise.

### **1.14 Please consider the Entitlement Offer in the light of your particular investment objectives and circumstances**

Please consult with your stockbroker, financial adviser, accountant, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to the risks associated with an investment in the Company and the New Shares which are set out in section 5 of this Offer Booklet.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

## 2. How to apply

### 2.1 How to apply under the Entitlement Offer

If you are an **Eligible Shareholder**, you may do any one of the following:

- take up all or part of your Entitlement (see section **2.1(a)** below);
- take up all of your Entitlement and also apply for Additional New Shares under the Top-Up Offer (see section **2.1(b)** below); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see section **2.1(c)** below).

Amounts received by the Company in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many Additional New Shares as your Excess Amount will pay for in full under the Top-Up Offer. Your application for the Additional New Shares may not be successful (wholly or partially). Any surplus Application Monies received for more than your final allocation of any Additional New Shares will be refunded. You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

Entitlements cannot be traded on ASX or another financial market, or privately transferred.

#### (a) *If you wish to take up all or part of your Entitlement*

To take up all or part of your Entitlement, applications for New Shares must be made either:

- (i) **By BPAY®**: pay your Application Monies via BPAY® in accordance with section 2.2(a). You do not need to complete an Entitlement and Acceptance Form if you pay by BPAY®; or
- (ii) **By mail**: complete the Entitlement and Acceptance Form that forms part of, is attached to, or accompanies this Offer Booklet or a printed copy of the Entitlement and Acceptance Form. The Entitlement and Acceptance Form must be completed in accordance with the instructions set out in the form. Once completed, please lodge your Entitlement and Acceptance Form and Application Monies in accordance with section 2.2(b) so that they are received by 5.00pm (AEDT) on the Closing Date of the Entitlement Offer at the postal address below:

Beston Global Food Company Limited  
C/- Link Market Services Limited  
  
GPO Box 3560  
Sydney NSW 2001 Australia

A reply paid envelope is supplied.

Shareholders in New Zealand, Singapore and Hong Kong will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope.

#### (b) *If you wish to take up all of your Entitlement and apply for Additional New Shares under the Top-Up Offer*

If you have applied for your full Entitlement, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form, under the Top-Up Offer. To do this, make a payment for more than your Entitlement and the Excess Amount will be taken to be an application for Additional New Shares under the Top-Up Offer.

Applications for Additional New Shares under the Top-Up Offer may be considered if and to the extent that not all Shareholders take up their full Entitlement. Applications for Additional New Shares under the Top-Up Offer are not capped but no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company, and any Application may be capped or scaled back at the sole and complete discretion of the Directors. The Directors reserve the right to issue any shortfall by way of the Top-Up Offer. There is no guarantee that any Applications made under the Top-Up Offer will be successful.

To subscribe for all of your Entitlement and apply for Additional New Shares under the Top-Up Offer, applications for New Shares must be made either:

- (i) **By BPAY:** pay your Application Monies via BPAY® in accordance with section 2.2(a). You do not need to complete an Entitlement and Acceptance Form if you pay by BPAY®; or
- (ii) **By mail:** complete the Entitlement and Acceptance Form that forms part of, is attached to, or accompanies this Offer Booklet or a printed copy of the Entitlement and Acceptance Form, and note any Additional New Shares you may wish to apply for in accordance with the instructions set out in the Entitlement and Acceptance Form. Once completed, please lodge your Entitlement and Acceptance Form and Application Monies in accordance with section 2.2(b) so that they are received by 5.00pm (AEDT) on the Closing Date of the Entitlement Offer at the postal address below:

Beston Global Food Company Limited  
C/- Link Market Services  
GPO Box 3560  
Sydney NSW 2001

A reply paid envelope is supplied.

Shareholders in New Zealand, Singapore and Hong Kong will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope.

**(c) *If you do nothing***

If you take no action, you will not be issued New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you do not accept your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) will become available to be taken up by other Eligible Shareholders via the Top-Up Offer.

The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected if you choose not to accept your Entitlement. However, your percentage shareholding will be diluted as a result of the issue of New Shares under the Entitlement Offer. Refer to section 4.4 for worked examples of the dilution effect.

## **2.2 Payment methods**

**(a) *Payment by BPAY®***

To pay via BPAY® you will need to:

- (i) be an account holder with an Australian financial institution which supports BPAY® transactions; and
- (ii) use the Customer Reference Number (**CRN**) shown on your Entitlement and Acceptance Form which is required to identify your shareholding. If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Entitlement and Acceptance Form. If you do not use the correct CRN, your Application will not be recognised as valid.

You do not need to complete a paper Entitlement and Acceptance Form, if you pay by BPAY®, however, you will be taken to have made the statements and certifications that are set out in the Entitlement and Acceptance Form.

Should you choose to pay by BPAY® it is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on the relevant Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making



payment. The Company takes no responsibility for any failure to receive Application Monies or payment by BPAY® before the relevant Closing Date as a result of, among other things, delays in postage or processing of payments by financial institutions.

**(b) Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to '**Beston Global Food Company Limited**', drawn on an Australian financial institution and crossed '**Not Negotiable**' in an envelope by mail to the applicable Share Registry address:

Beston Global Food Company Limited  
C/- Link Market Services  
GPO Box 3560  
Sydney NSW 2001

A reply paid envelope is supplied.

Payment by cheque, bank draft or money order may also be made (together with the completed Entitlement and Acceptance Form) by hand delivery to:

Beston Global Food Company Limited  
C/- Link Market Services  
GPO Box 3560  
Sydney NSW 2001

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of shares on your Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order, it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00pm (AEDT) on the relevant Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.

## **2.3 Refunds**

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date. No interest will be paid to applicants on any Application Monies received or refunded.

## **2.4 Entitlement and Acceptance Forms are binding**

Receipt of a completed and lodged Entitlement and Acceptance Form together with payment for the Application Monies, or by making a payment in respect of an Application by BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged, cannot be withdrawn.

By completing and returning an Entitlement and Acceptance Form with the requisite Application Monies, or by making a payment in respect of an Application for the Entitlement Offer by BPAY®, you will be deemed to have represented that you are an Eligible Shareholder.

In addition, by completing and returning an Entitlement and Acceptance Form, you will be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Booklet does not prohibit you from being given the Offer Booklet and that you:

- (a) agree to be bound by the terms of the Entitlement Offer, the Offer Booklet and the Constitution;
- (b) declare that:

- (i) all details and statements made in the relevant Entitlement and Acceptance Form are complete and accurate;
  - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer (as applicable);
  - (iii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date; and
  - (iv) you are an Australian or New Zealand resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;
- (c) acknowledge that:
- (i) once the Company receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
  - (ii) you have personally received a printed or electronic version of this Offer Booklet (and any supplementary or replacement offer booklet (if any)) included in or accompanying an Entitlement and Acceptance Form and have read them all in their entirety;
  - (iii) the information contained in, or accompanying, the Offer Booklet is not investment or financial product advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
  - (iv) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
  - (v) the New Shares have not, and will not be registered under the securities laws in any other jurisdictions outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the requirements of applicable securities laws, in particular the US Securities Act;
  - (vi) in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked; and
  - (vii) the Entitlement Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Offer Booklet;
- (d) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$0.065 per New Share;
- (e) authorise the Company to:
- (i) register you as the holder of New Shares and authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Share Registry by using the contact details set out in the Entitlement and Acceptance Form; and
  - (ii) correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (f) represent and warrant that the law of any place, other than Australia, and New Zealand (if you are an Eligible Shareholder), does not prohibit you from being given this Offer Booklet or making an application for New Shares; and
- (g) if you are acting as a nominee or custodian for an Eligible Shareholder, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand except with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer, and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer

Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

### 3. Company information

#### 3.1 About the Company

Beston Global Food Company (“Beston”) is a leading supplier of dairy, meat and plant-based protein to domestic and international markets. Beston is Australia’s 3rd largest mozzarella producer, and growing, thanks to its state-of-the-art mozzarella facility at Jervois and its cheddar facility at Murray Bridge, both of which are located in South Australia. Apart from its cheese production (mozzarella, cheddar, gruyere, colby, gouda, parmesan and cream cheese), Beston’s dairy division also produces whey powder, cream, butter and lactoferrin, accounting for over 20% of South Australia’s total milk pool. Beston also produces core meat products and plant-based meat products at its Provincial Food Group facility at Shepparton, Victoria. The Company listed on the ASX on 28 August 2015.

#### 3.2 Recent company information

As announced to the ASX on 7 December, Beston has recently been awarded a \$2 million Regional Growth Fund grant from the South Australian Government. This grant will enable the Company to commence stage 2 of the planned expansion of the Lactoferrin production facility at Jervois, South Australia. The current Stage 1 works are well progressed and on time, and on budget, with a completion date set for the end of February 2021. Completion of Stage 1 enabling increased Lactoferrin production to occur will continue to add value to the Jervois Facility, and ensure Beston continues its growth of milk processing, increasing revenues and returns for every litre of milk processed.

Additionally, the Company announced the appointment of Ms Joanna Andrews to the Board on 7 December 2020. Ms Andrews brings a wealth of experience in the agribusiness and health sciences fields, as well as her career within the legal industry. Ms Andrews is currently Chair of the South Australian Produce Market Limited, and is a former Chair of Wine Grape Growers Australia, and Chair of their Audit, Finance and Risk Committee. Further details of Ms Andrews' credentials are available on ASX or the Company website.

On 16 December 2020, the Company also announced the appointment of Mr Neil Longstaff to the BFC Board, effective 1 January, 2021. Further details of Mr Longstaff's expertise and work experience are detailed in that announcement. The Chairman of Beston, Dr Roger Sexton AM, said the expertise which Neil brings to the Board will add another dimension by bringing in deep dairy experience. Mr Longstaff replaces Mr Jim Kouts on the board, who informed the Company of his decision to step down from the Board with effect on 31 December, 2020.

The Company also announced recently the hiring of Mr Frank Baldi as General Manager, Operations and Supply Chain, to boost its operational and technical capabilities, particularly given the imminent commencement of increased lactoferrin production at the Jervois facility. Mr Baldi has significant expertise dealing with Lactoferrin, through his roles in senior management at Freedom Foods and Bega Cheese.

The Company announced on 26 November 2020 that the 2020 AGM had been adjourned, with subsequent announcement confirming the new AGM date of 29 January 2021. This adjournment has enabled the Company to refer matters concerning potential shareholder association to the Australian Securities and Investments Commission (**ASIC**) and the Foreign Investment Review Board (**FIRB**). The adjournment has also enabled the Company to conduct proper due diligence process into the nominated appointee to the Board by one of the Company's major shareholders, Kunteng Pte Ltd.

## 4. Purpose and effect of the Entitlement Offer

### 4.1 Purpose of the Entitlement Offer

If the Entitlement Offer is fully subscribed, approximately 241,005,630 New Shares will be issued (either as a result of all Eligible Shareholders accepting the Entitlement Offer or pursuant to the Top-Up Offer under this Offer Booklet being fully subscribed).

The offer price for the Entitlement Offer is \$0.065. Assuming the Entitlement Offer is fully subscribed, the maximum total proceeds of the Entitlement Offer will be approximately \$0.065 million.

In this section, details are provided on the use of the funds raised under the Entitlement Offer, the costs of the Entitlement Offer and, more particularly, the effect of the Entitlement Offer on the capital structure and financial position of the Company. Details are also provided about the Underwriting arrangements entered in to by the Company, in relation to the Entitlement Offer.

### 4.2 Use of funds

The proceeds raised from the Entitlement Offer will be used to assist with accelerating the Stage 2 expansion of the Lactoferrin plant at Jervois, South Australia, in conjunction with the recently awarded Regional Growth Fund grant from the South Australian Government. The Entitlement Offer proceeds will also be used to fund the purchase of some ancillary equipment required for the increased production of Lactoferrin and to ensure the plant is able to operate reliably on a 24 hour/7 day week basis.

The Entitlement Offer proceeds will also provide the BFC balance sheet with strength to take advantage of opportunities when they arise as the Australian economy continues to rebound to pre-COVID-19 levels.

The use of funds is in line with Beston's five strategic imperatives, centred on sustainable and profitable growth.

### 4.3 Effect on capital structure

An issue of the Shares under this Offer Booklet will have an effect on the capital structure and the financial position of the Company. The effect of the Entitlement Offer on the capital structure of the Company is set out below.

The table below assumes that prior to the Record Date, no Shares will be issued by the Company other than those offered under this Offer Booklet, and the Entitlement Offer is fully subscribed (subject to rounding up of fractional Entitlements).

#### Effect on capital structure of the Entitlement Offer

| Event  | Total Shares |
|--|--------------|
| Current Shares on issue prior to the Entitlement Offer   | 602,514,074  |
| New Shares issued under the Entitlement Offer (if fully subscribed)  | 241,005,630  |
| Total Shares on issue after completion of the Entitlement Offer (if fully subscribed)                            | 843,519,704  |
| Total New Shares as a percentage of total Shares on issue after completion of the Entitlement Offer <sup>1</sup> | 28.6%        |

<sup>1</sup> Assuming the Entitlement Offer is fully subscribed.

#### 4.4 Impact on control of the Company

The effect of the Entitlement Offer on control of the Company will depend on a number of factors, including the level of Entitlements taken up by Eligible Shareholders and the number of Additional New Shares taken up via the Top-Up Offer.

If an Eligible Shareholder takes up their full Entitlement in the Entitlement Offer, their shareholding percentage will not be diluted due to the New Shares issued. However, if an Eligible Shareholder does not take up their full Entitlement under the Entitlement Offer, their holding may be diluted depending on the participation of other Eligible Shareholders. Examples of how the dilution may impact Shareholders following completion of the Entitlement Offer are set out in the table below.

##### Shareholder dilution examples (assuming the Entitlement Offer is fully subscribed)

| Shareholding in the Company before the Entitlement Offer | Shareholding % in the Company as at the Record Date | Entitlement to New Shares under the Entitlement Offer | Shareholding % if Shareholder takes up 100% of their Entitlement | Shareholding % if Shareholder takes up 50% of their Entitlement | Shareholding % if none of the Shareholder's Entitlement is taken up |
|--|---|---|--|---|---|
| 5,000,000  | 0.830 %   | 2,000,000   | 0.830 %  | 0.711 %   | 0.593 %   |
| 1,000,000  | 0.166 %   | 400,000   | 0.166 %  | 0.142 %   | 0.119 %   |
| 100,000  | 0.017 %   | 40,000  | 0.017 %  | 0.014 %   | 0.012 %   |
| 50,000   | 0.008 %   | 20,000  | 0.008 %  | 0.007 %   | 0.006 %   |
| 10,000   | 0.002 %   | 4,000   | 0.002 %  | 0.001 %   | 0.001 %   |

#### 4.5 Underwriting

The Entitlement Offer is being partially underwritten by the Joint Lead Managers, to the extent of \$7.25 million (**Underwritten Amount**). This amount may be increased by mutual agreement between the Company and the Joint Lead Managers.

If an Eligible Shareholder takes up their full Entitlement in the Entitlement Offer, their shareholding percentage will not be diluted due to the New Shares issued.

The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedents, representations, warranties and indemnities (in favour of the Joint Lead Managers) and termination rights.

Certain termination events are unqualified, permitting the Joint Lead Managers to terminate the Underwriting Agreement and include:

- (a) **(misleading disclosure)** a statement contained in the Offer Materials (including any estimate, expression of belief or intention, or statement relating to future matters) is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted from the Offer Materials, or there are no reasonable grounds for the making of any statement in the Offer Materials relating to future matters;
- (b) **(Offer Cleansing Statement)** an Offer Cleansing Statement is Defective, or a Corrective Statement is required to be issued under the Corporations Act;
- (c) **(adverse change)** any adverse change, or development (including but not limited to any regulatory change) or event involving a prospective change, in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, operations, management, profits, losses or prospects of the Issuer, any Group Member or any Target or their respective underlying investments occurs;
- (d) **(new circumstance)** a new circumstance arises which is a matter adverse to investors in Offer Securities and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials were given to ASX;

- (e) **(unauthorised changes)** the issuer or a Group Member:
  - (i) disposes, or agrees to dispose of, the whole, or a substantial part, of its business property;
  - (ii) ceases or threatens to cease to carry on business; or
  - (iii) alters its capital structure, other than as contemplated in the Offer Materials;
- (f) **(unable to proceed)** the Issuer is or will be prevented from conducting or completing the Offer (including granting the Entitlements or issuing the Offer Securities) by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things;
- (g) **(Offer to comply)** any Offer Material or any aspect of the Entitlement Offer does not or fails to comply with the Corporations Act, the Listing Rules, the ASX Waiver or any other applicable law or regulation
- (h) **(ASIC determination)** ASIC makes a determination, exemption or order which would prevent the Issuer from making the Entitlement Offer under section 708AA, including a determination under section 708AA(3);
- (i) **(listing):**
  - (i) the Issuer ceases to be admitted to the official list of ASX or the Securities (or interests in them) cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a voluntary suspension requested by the Issuer and consented to by the Underwriters to facilitate the Entitlement Offer (such consent not to be unreasonably withheld or delayed));
  - (ii) ASX makes any official statement to any person, or indicates to the Issuer or Underwriters that it will not grant permission for the official quotation of the Offer Securities; or
  - (iii) permission for the official quotation of the Offer Securities is not granted before the date of issue of those Offer Securities or, if granted, the approval is subsequently withdrawn, qualified or withheld;
- (j) **(notifications):**
  - (i) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer Materials or the Entitlement Offer;
  - (ii) ASIC commences, or gives notice of an intention to hold, any investigation or hearing in relation to the Entitlement Offer or any of the Offer Materials; or
  - (iii) ASIC prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Issuer;
- (k) **(no misleading or deceptive conduct)** the Issuer engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Entitlement Offer;
- (l) **(Certificate)** a Certificate which is required to be provided by the Issuer under this document is not provided when required;
- (m) **(delay)** any event specified in this document (including in the Timetable) is delayed by 1 Business Day or more, without the prior written consent of the Underwriters;
- (n) **(proceedings)** any of the following occurs:

- (i) legal proceedings are commenced against the Issuer or the Directors;
  - (ii) a director or proposed director of the Issuer is charged with an indictable offence in relation to any financial or corporate matter;
  - (iii) any Government Agency commences any public proceedings against the Issuer or any director in their capacity as a director of the Issuer, or announces that it intends to take such action;
  - (iv) an application, submission, investigation or other communication is made to or received by a Government Agency in relation to the Entitlement Offer or the Issuer; or
  - (v) any director or proposed director of the Issuer is disqualified from managing a corporation under any applicable law;
- (o) **(ASX Waivers and ASIC Modifications)** approval for any ASX Waivers or ASIC Modifications is withdrawn or is varied in a way that, in the reasonable opinion of the Underwriters, would have a material adverse effect on the success of the Entitlement Offer;
- (p) **(Insolvency of the Issuer)** an Insolvency Event occurs in respect of the Issuer or there is an act which has occurred or any omission made which would result in an Insolvency Event occurring in respect of the Issuer;
- (q) **(market fall)** the ASX/S&P 200 Index falls to a level that is 10% or more below its level at market close on the Business Day immediately preceding the Announcement Date and is at or below that level at the close of trading for 2 consecutive Business Days after that date or on the Business Day immediately prior to the Settlement Date; or
- (r) **(withdrawal)** the Issuer withdraws the Offer.

Certain termination events are qualified, meaning they need the Joint Lead Managers to reasonably believe the event may give rise to a liability that a Joint Lead Manager could contravene, or be considered to be in contravention of, any applicable law, have a material adverse effect on the Entitlement Offer or the Company Shares, or result in a material change in financial position, performance or prospects of the Company, and include:

- (s) **(information)** the information supplied by or on behalf of the Issuer to the Underwriters for the purposes of due diligence investigations, the Offer Materials, or the Entitlement Offer, is misleading or deceptive (including by omission);
- (t) **(change of law)** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this document), any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets;
- (u) **(pandemic)** a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving Australia;
- (v) **(market disruption)** either of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia, the United States of America, Hong Kong, the United Kingdom or the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or



- (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, HK Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;
- (w) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, New Zealand, Canada (Ontario, Quebec, British Columbia), Singapore, Malaysia, Hong Kong, the United Kingdom, any member state of the European Union (excluding those which became member states from 2004 onwards), Norway, Switzerland or the People's Republic of China or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- (x) **(political or economic conditions)** the occurrence of any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America, New Zealand, Canada (Ontario, Quebec, British Columbia), Singapore, Hong Kong, Malaysia, the United Kingdom, any member state of the European Union (excluding those which became member states from 2004 onwards), Norway, Switzerland or the People's Republic of China or the international financial markets or any change or development involving a prospective change in national or international political, economic or financial conditions;
- (y) **(charge)** a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Issuer;
- (z) **(warranties)** a warranty contained in this document on the part of the Issuer is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;
- (aa) **(misleading statement)** the Certificate which is required to be furnished by the Issuer under this document is untrue, incorrect or misleading;
- (bb) **(breach)** the Issuer fails to perform or observe any of its obligations under this document;
- (cc) **(change in management)** a change in the senior management or the board of directors of the Issuer occurs or is announced;
- (dd) **(Insolvency of a Group Member)** an Insolvency Event occurs in respect of a Group Member (excluding the Issuer) or there is an act which has occurred or any omission made which would result in an Insolvency Event occurring in respect of any Group Member (excluding the Issuer);

#### 4.6 Joint Lead Managers

Neither the Joint Lead Managers nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents (collectively, the 'Lead Manager Parties') have authorised or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet and there is no statement in this Offer Booklet which is based on a statement made by a Joint Lead Manager Party. To the maximum extent permitted by law, each Lead Manager Party expressly disclaims all liabilities in respect of, and makes no, representations regarding, and takes no responsibility for any part of this Offer Booklet or any action taken by you on the basis of the information in this Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Offer Booklet. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Lead Manager Parties makes any recommendations, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and

agree that you have not relied on any statements made by any of the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

The Joint Lead Managers will be paid, in aggregate, in respect of the Entitlement Offer:

- (a) in their Respective Proportions, an Underwriting fee of 4% of the Offer Proceeds;
- (b) a management fee of 2% of the Offer Proceeds; and
- (c) reimbursements for their various respective costs incurred as Joint Lead Managers in relation to the Entitlement Offer, as contemplated in the Underwriting Agreement.

## 5. Risk factors

An investment in the Company carries risk, including those specific to the Company, those broader risks which affect the Assets of the Company and those more general risks associated with investing in the share market. Many of these risks are outside the control of the Company, its Directors and officers. Consequently, the New Shares offered under this Offer Booklet carry no guarantee in respect of profitability, dividends or return of capital. Neither the Company nor its Directors nor any party associated with the preparation of this Offer Booklet warrants that any specific objective of the Company will be achieved.

In addition, to the extent that statements in this Offer Booklet constitute forward looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward looking statements. Although the Company believes that the expectations reflected in the forward looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, or that historic results will be repeated.

You should consider whether the New Shares offered by this Offer Booklet are a suitable investment, having regard to your own individual investment objectives, financial circumstances and the risk factors set out below.

The list below includes the risks included under the "Investment Risks" section of the Investor Presentation, and also highlights additional significant and material risks, however the list may not be exhaustive. Other less significant or less probable factors may also impact the financial performance, the financial position or the cash flow of the Company. Should any or all of these risk factors materialise, the value of the Shares of the Company may be adversely affected.

Consequently, investors should read this Offer Booklet in its entirety, consider the following risk factors and consult their accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to making an investment.

### 5.1 General risk factors

Prospective investors should also consider the following risks associated with investments in equity capital such as the Company's shares:

- investment risks, such as changes in the Company's own assessment of the economics of developing its assets or the market perception of the value of the Company's assets and shares;
- share market and liquidity risks involved in the listing and trading of shares on the ASX;
- economic, political and social factors, including activism and pandemics, and the effect on the market price of shares of movements in equities markets, commodity prices, currency fluctuations and interest rates, and local and global political and economic conditions;
- epidemics and pandemics such as COVID-19;
- geo-political instability, including international hostilities and acts of terrorism, the response to COVID-19 and travel restrictions;
- circumstances requiring the Company to change its strategy;
- the Australian economy deteriorating (including, the adverse impacts of, and the responses to COVID-19); and
- stock market sentiment fluctuations impacting on the Company's share price.

### 5.2 Development risk

In the event that the Company undertakes a development project, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop-in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs.

If one or more of these occurrences has a material impact then the Company's operational and financial performance may be negatively affected.

### **5.3 COVID-19 risk**

The Company has observed that in response to COVID-9 governments globally have imposed restrictions on the movement of citizens and limited non-essential services and activities. Governments around the world have also recommended or enforced restrictions on domestic and international travel in order to slow the spread of COVID-19. Given the high degree of uncertainty surrounding the extent and duration of COVID-19 restrictions, it is not currently possible to assess the full impact of COVID-19 on the Company's business. However, a prolonged reduction in activity across key markets may impact on the price of food and beverage products in Australia and the Company's performance. A number of aspects of the Company's business may also be directly or indirectly impacted by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to availability of equipment, materials and workforce required for food and beverage production activities.

### **5.4 Operational risk**

Adverse weather conditions events, unforeseen increases in establishment costs, mechanical failures, human errors, industrial disputes or other unforeseen events, could lead to increased costs or delay to the Company's activities. The Company will mitigate this risk by, amongst other things, taking out appropriate insurance in line with industry practice.

### **5.5 Price risk**

The price at which the Company can sell its produced cheese (mozzarella, cheddar), lactoferrin, cream, butter and whey powder, will have a material influence on the financial performance of the Company. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political situations, military conflicts, technological changes, output controls and global consumption which are all outside the control of the Company. A material and extended fall in realised prices for the Company's products may have an adverse impact on the Company's financial performance.

### **5.6 Regulatory risk**

The enactment of new legislation or adoption of new requirements of a governmental authority may restrict or affect the Company's ability to operate and produce goods efficiently and effectively. This may include new requirements relating to climate change..

### **5.7 Community opposition risk**

There is a risk that community disapproval may lead to direct action which impedes Beston's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.

### **5.8 Counterparty exposure**

The financial performance of the Company is subject to its various counterparties continuing to perform their respective obligations under various contracts. If one of its counterparties partners fails to adequately perform their contractual obligations, this may result in loss of earnings, termination of particular contracts, disputes and/or litigation of which could impact on the Company's financial performance.

### **5.9 Key person dependence**

The future success of the Company depends, to a significant extent, upon the continued services of the members of the management team of the Company. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Company's business and its future prospects.

## **5.10 Valuation of Shares**

Broad market fluctuations could negatively (or positively) impact on the market value of the Shares.

The market value of dairy factories and plant and equipment have shown themselves historically to be linked to the world milk price and the supply and demand of dairy commodities, as long as dairy farming is the highest and best use for the assets. During periods in which the market is weaker than normal, reduced confidence in the market-place may see a reduction in recognition of forward cashflows. This may have an effect on attributed net tangible asset share value in distressed circumstances.

## **5.11 Insurance risks**

Factory insurance may not cover certain events.

The Company intends to meet its obligations to maintain its insurance requirements on the assets and business in accordance with industry practice. However, in certain circumstances, the insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance i.e. an Act of God, could have a material adverse effect on the business, financial condition and results.

## **5.12 Asset risk**

It is anticipated that new plant installations to improve productivity, if soundly selected, will enhance the value of the dairy factories. However, uncontrollable world market changes will affect the ongoing demand for all types of property and commodities. In the event of termination of customer contracts and rationalisation of the assets, realisable value in the market-place may be lower than expected.

There is a risk that the value of the assets or investments selected may decline in market value.

## **5.13 Cashflow assurance**

Cashflow is not assured. If the Company's cash flow is reduced, it may not be able to pay dividends. The Company's ability to pay distributions to Shareholders is based on key factors such as:

- operational skills and seasonal conditions impacting on production levels and costs of operations; and
- success in negotiating future favourable dairy product contract terms.

In the event of defaults or unexpected events, operational surpluses and/or payments could decrease or cease, which would result in a reduction in cash available for distribution. Dependent on the circumstances, the impact may result in a reduction in the capital value of the Company's assets. The Company will seek to regularly ensure any disruption to payments or unsatisfactory compliance to commercial obligations are identified early and acted upon promptly.

## **5.14 Pricing risk**

The Company's potential revenue will primarily be derived from the sale of its products. The prices for those products may fluctuate and are affected by factors beyond the Company's control. Relevant factors include supply and demand fluctuations, competitor activities, availability and pricing of milk supplies and macro-economic factors.

The access to milk for production from third party milk contracts may be affected by environmental or seasonal factors. While many farms are better water assured than others via sustainable permanent irrigation licenses, some will not be. Third party farmer suppliers who contract their milk supply, operate in an open commercial market in which the Company remains competitive. However, the Company has no control over competing companies pricing behaviour.

## **5.15 Competition risk**

The Company's business may be affected by international events it has no control over. As much as possible this risk will be mitigated by fixed term contracts and agreements.

The dairy industry is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively affect the operating and financial performance of the Company's projects and business.

#### **5.16 Economic risk**

Changes to Australia's general economic conditions both in Australia and internationally may impact on the performance of the Company. This could include:

- contractions in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions, such as movements in domestic interest rates and reduced economic activity;
- increases in the costs of goods and services;
- changes to government or regulatory fees and taxes or duties;
- changes in value to Australian dollar versus other assets and currencies;
- changes in law and government policy, particularly in respect of taxation or the environment, and regulation of the mining industry generally; and
- the introduction of new government levies or resource taxes..

#### **5.17 Environmental risk**

Processing businesses are often exposed to various environmental risks, which can have adverse impacts on the operation of the business, the health and wellbeing of the safety personnel and equipment. These risks are part of the unforeseen pattern business and there are limited avenues to mitigate such risks. The business strategy of the Company is to undertake mitigation controls and procedures, including awareness training and planning to limit to the extent reasonable the impact from such events when they occur.

## 6. Additional information

### 6.1 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the 'Investors' section of the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au) or ASX's website [www.asx.com.au](http://www.asx.com.au).

Additionally the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company and ASX websites. The latest yearly report was released to the ASX on 26 October 2020.

### 6.2 Company announcements

Investors may view a record of the Company's ASX announcements at [www.asx.com.au](http://www.asx.com.au). ASIC also maintains records in respect of documents lodged with it by the Company and these may be obtained from or inspected at the office of ASIC. This Offer Booklet is intended to be read in conjunction with information previously publicly disclosed by the Company.

The Company will provide free of charge to any person who requests it during the Offer Period under this Offer Booklet:

- (a) the annual financial report most recently lodged by the Company with ASIC;
- (b) any half-year financial report lodged by the Company with ASIC during the Offer Period; and
- (c) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules in the period between 30 June 2020 and the Closing Date.

### 6.3 Foreign jurisdictions

Beston has determined that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

The information in this Offer Booklet, the Investor Presentation, any accompanying ASX announcement and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by Beston to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Offer Booklet (including an electronic copy) outside Australia, New Zealand or to certain foreign countries to the extent contemplated in this Offer Booklet may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released to any person in the United States or any other jurisdiction outside Australia or New Zealand, Singapore and Hong Kong. If you come into possession of this Offer Booklet, you must observe such restrictions and should seek your own advice on such restrictions.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in the United States or any other jurisdiction outside Australia or New Zealand, except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in this Offer Booklet, the Investor Presentation or as Beston may otherwise permit in compliance with applicable law.

#### **United States**

This Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares in the Entitlement Offer are being offered and sold outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act.

### ***New Zealand***

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### ***Hong Kong***

WARNING: This Offer Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Offer Booklet or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### ***Singapore***

This document and any other documents relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA') or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This document has been provided to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event you are not such a shareholder, institutional investor or relevant person, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who



acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to the resale restrictions in Singapore and comply accordingly.

#### **6.4 CHES**

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHES sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored sub-register to the CHES sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

#### **6.5 Taxation**

The Board do not consider that it is appropriate to provide Eligible Shareholders with advice regarding the taxation consequences of accepting the Entitlement Offer under this Offer Booklet. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors or Eligible Shareholders in respect of any issue.

#### **6.6 Privacy disclosure statement**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on their Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act and Australian taxation legislation requires the Company to include information about a Shareholder (including name, address and details of the Shares held) in its public register, the Company's Share Registry, which is accessible by the public. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about it subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

The Company may also share your personal information with the Company's agents, service providers and others who provide services on the Company's behalf, some of which may be located outside of Australia where your personal information may not receive the same level of protection as afforded under Australian law.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located on the Company's website. Alternatively, you can contact the Company to request a copy of its Privacy Policy free of charge.

It is suggested that you obtain a copy of the Company's Privacy Policy and read it carefully before making an investment decision.

#### **6.7 Governing Law**

This Offer Booklet and the contracts that arise from the acceptance of Applications under the Entitlement Offer are governed by the laws applicable in South Australia, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of South Australia, Australia.

# Glossary

| Term   | Definition  |
|--|---|
| <b>\$, A\$ or AUD</b>                        | the currency of Australia.  |
| <b>AFSL</b>                                  | Australian Financial Services Licence.  |
| <b>AEDT</b>                                  | Australian Eastern Daylight Time.   |
| <b>Aitken Murray</b>                         | means Aitken Murray Capital Partners Pty Ltd ACN 169 972 436 (AFSL 517935).   |
| <b>ASIC</b>                                  | the Australian Securities and Investments Commission.   |
| <b>ASX or Australian Securities Exchange</b> | ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.  |
| <b>ASX Listing Rules</b>                     | the listing rules of the ASX.   |
| <b>ASX Settlement</b>                        | ASX Settlement Pty Limited ABN 49 008 504 532.  |
| <b>ASX Settlement Operating Rules</b>        | the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.   |
| <b>Additional New Share</b>                  | A New Share offered and issued under the Top-Up Offer.  |
| <b>Applicant</b>                             | An Eligible Shareholder who submits a valid Entitlement and Acceptance Form for New Shares (and if applicable, Additional New Shares) and required Application Monies pursuant to this Offer Booklet.   |
| <b>Application</b>                           | a valid application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and if applicable, Additional New Shares) in accordance with this Offer Booklet.                    |
| <b>Application Monies</b>                    | monies received from Applicants in respect of their Applications.   |
| <b>Board</b>                                 | the board of Directors unless the context indicates otherwise.  |
| <b>Closing Date</b>                          | 5.00pm (AEDT), Monday, 18 January 2021 (or such later date as the Company determines in its sole and absolute discretion).  |
| <b>Company or BFC</b>                        | Beston Global Food Company Limited ACN 603 023 383.   |
| <b>Constitution</b>                          | the constitution of the Company as at the date of this Offer Booklet.   |
| <b>Corporations Act</b>                      | the <i>Corporations Act 2001</i> (Cth).   |
| <b>Directors</b>                             | the directors of the Company as at the date of this Offer Booklet.  |
| <b>Eligible Shareholder</b>                  | has the meaning given in section 1.4.   |
| <b>Entitlement</b>                           | the number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Shares held by that Eligible Shareholder on the Record Date. |
| <b>Entitlement and Acceptance Form</b>       | the relevant personalised form accompanying this Offer Booklet which Eligible Shareholders may use to apply for New Shares.   |
| <b>Entitlement Offer</b>                     | the pro-rata non-renounceable entitlement offer of New Shares in the Company in the ratio of 1 New Share for 2.5 Existing Shares held on the Record Date at the Offer Price.                            |
| <b>Excess Amount</b>                         | any money in excess of the full amount of Application Monies for an Eligible Shareholder's whole Entitlement.   |
| <b>Existing Shares</b>                       | a Share issued as at 7.00pm (AEDT) on the Record Date.  |
| <b>GST</b>                                   | goods and services tax.   |
| <b>Ineligible Shareholder</b>                | a Shareholder as at the Record Date who is not an Eligible Shareholder.   |
| <b>Joint Lead Managers</b>                   | means each of MST Financial and Aitken Murray.  |
| <b>Managing Director</b>                     | the Managing Director of the Company.   |
| <b>MST Financial</b>                         | MST Financial Services Pty Ltd ACN 617 475 180 (AFSL 500557)  |

| <b>Term</b>                       | <b>Definition</b>   |
|-----------------------------------|---|
| <b>NTA or net tangible assets</b> | the pre-tax value of the Company's total assets less the values of its intangible assets and the values of its liabilities.                               |
| <b>New Shares</b>                 | fully paid ordinary shares in the Company issued under the this Offer Booklet which will rank equally with Existing Shares from the date of issue.        |
| <b>Offer Booklet</b>              | this document dated 29 December 2020  |
| <b>Offer Period</b>               | the period from the date of this Offer Booklet until the Closing Date.  |
| <b>Offer Price</b>                | the price payable for a New Share under this Offer Booklet, being \$0.065 per New Share.  |
| <b>Offer Proceeds</b>             | means the amount which is the number of Offer Securities to be issued under the Entitlement Offer multiplied by the Offer Price.                          |
| <b>Opening Date</b>               | Tuesday, 29 December 2020.  |
| <b>Record Date</b>                | 7.00pm (AEDT) Wednesday, 23 December 2020.  |
| <b>Share(s)</b>                   | a fully paid ordinary share in the capital of the Company.  |
| <b>Share Registry</b>             | Link Market Services Limited ACN 083 214 537  |
| <b>Shareholder</b>                | a holder of one or more Shares.   |
| <b>Top-Up Offer</b>               | the facility under which Eligible Shareholders may apply for New Shares in excess of their Entitlement as described in Section 1.6 of this Offer Booklet. |
| <b>Underwriting</b>               | the underwriting of the Entitlement Offer as governed by the Underwriting Agreement.  |
| <b>Underwriting Agreement</b>     | the agreement between the Joint Lead Managers and the Company dated 17 December 2020.   |
| <b>US Person</b>                  | has the meaning given to that term in Regulation S under the US Securities Act.   |
| <b>US Securities Act</b>          | the <i>Securities Exchange Act of 1934</i> (US).  |

# Corporate directory

## **Directors**

Dr. Roger Sexton AM (Chairman)  
Stephen Gerlach  
Petrina Coventry  
Jim Kouts  
Ian McPhee  
Joanna Andrew

## **Company Secretary**

Richard Willson

## **Registered Office**

Level 9, 420 King William Street  
Adelaide SA 5000

## **Website**

[www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au)

## **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

## **Legal advisers**

MinterEllison  
Level 10, 25 Grenfell Street,  
Adelaide SA 5000  
Australia

## **Joint Lead Managers**

MST Financial Services Pty Ltd  
Level 13, 14 Martin Place  
Sydney NSW 2000  
ACN 617 475 180 (AFSL 500557)

Aitken Murray Capital Partners Pty Ltd  
52 Victoria Street  
Paddington NSW 2021  
ACN 169 972 436 (AFSL 517935)



**SRN/HIN:****Entitlement Number:****Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on 23 December 2020:****Entitlement to New Shares (on a 1 New Share for 2.5 basis):****Amount payable on full acceptance at A\$0.065 per Share:**

|  |                        |
|--|------------------------|
| <b>Offer Closes<br/>5:00pm (AEDT):</b> | <b>18 January 2021</b> |
|--|------------------------|

**ENTITLEMENT AND ACCEPTANCE FORM**

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 2.5 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.065 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Offer Booklet dated 29 December 2020. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

If you do not have a paper copy of the Offer Booklet, you can obtain a paper copy at no charge, by calling the Beston Global Food Company Limited Offer Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia).

**PAYMENT OPTIONS**

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

**OPTION 1: PAYING BY BPAY®**

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 18 January 2021. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

**OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER**

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 18 January 2021.



**Billers Code:** 340257  
**Ref:**

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
 ® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

*Please detach and enclose with payment*

SRN/HIN:

Entitlement Number:

**A** Number of New Shares accepted (being not more than your Entitlement shown above)**B** Number of additional New Shares**C** Total number of New Shares accepted (add Boxes A and B)**D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS –** Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Beston Global Food Company Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

**A\$****E CONTACT DETAILS –** Telephone Number

Telephone Number – After Hours

Contact Name

# BESTON GLOBAL FOOD COMPANY LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand, Hong Kong and Singapore. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Beston Global Food Company Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.065.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Beston Global Food Company Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Beston Global Food Company Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Beston Global Food Company Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

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## 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

### Mailing Address

Beston Global Food Company Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 18 January 2021. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Beston Global Food Company Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Beston Global Food Company Limited Offer Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.**