

19 October 2022

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

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

This notice is given by Beston Global Food Company Limited ACN 603 023 383 (ASX: BFC) (**BFC** or **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* (**ASIC Instrument 2016/84**).

Where applicable, references in this notice are to sections of the Corporations Act as modified by ASIC Instrument 2016/84.

BFC has announced a pro rata non-renounceable entitlement offer (**Entitlement Offer**) of 1 fully paid ordinary share in BFC (**New Shares**) for every 1 fully paid ordinary share held in BFC as at 7.00pm (Sydney time) on 28 October 2022 at a price of A\$0.025 per New Share (**Issue Price**) to existing shareholders of the Company registered in Australia and New Zealand and certain eligible institutional investors in certain permitted foreign jurisdictions. This Issue Price is the same price as fully paid ordinary shares offered to institutional investors under the institutional placement by BFC announced to ASX on Wednesday, 19 October 2022 (**Placement**).

For the purposes of this Notice, the Entitlement Offer and Placement are together referred to as the **Capital Raising**.

The Capital Raising is jointly managed by MST Financial Services Pty Ltd ACN 617 475 180 and Shaw and Partners Limited ACN 003 221 583.

The Company advises that

- (a) BFC will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, BFC has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to BFC; and
 - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act;
- (e) the potential effect that the Entitlement Offer will have on the control of BFC, and the consequences of that effect will depend on a number of factors, including shareholder demand under the Entitlement Offer and the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer and apply for shares under the top up facility; and
- (f) given the structure of the Capital Raising, the potential effect that the issue of the New Shares will have on control of the Company is as follows:

- (i) to the extent that an Eligible Shareholder fails to take up their entitlement under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company's shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement (and those who acquire more New Shares than their entitlement).
- (ii) Shareholders who are ineligible to participate in the Entitlement Offer will have their percentage holding in the Company's shares diluted as a consequence of the issue of New Shares. If the New Shares of ineligible shareholders are acquired by Eligible Shareholders, those shareholders percentage interest in the Company would increase;
- (iii) the issued share capital of BFC will increase by up to 1,128.8 million fully paid ordinary shares (Shares), which includes the shares issued under the Placement;
- (iv) the Entitlement Offer will include a Top-Up Offer through which 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;
- (v) as part of the Capital Raising, Regal Funds Management Pty Ltd ACN 107 576 821 (**Regal**) has, through an executed binding commitment letter, committed to \$15 million (up to 600,000,000 New Shares) through the Placement and Entitlement Offer. The binding commitment letter provides that Regal must not take up an amount of shares exceeding 20% of the total voting power in the Company post Capital Raising. To the extent that Regal's commitment would exceed 20% of the voting power, it must procure other subscribers for any New Shares that would otherwise increase its voting power over 20%;
- (vi) following the Capital Raising, Allianz Global Investors Asia Pacific Limited ARBN 160 464 200 (**Allianz**), will, in accordance with an executed binding commitment letter, be issued up to 106,632,952 New Shares through the Entitlement Offer. The binding commitment letter provides that Allianz must not take up an amount of shares exceeding 9.5% of the total issued capital of the Company post Capital Raising;
- (vii) as noted in the investor presentation lodged with ASX on Wednesday 19 October 2022 in relation to the Capital Raise, BFC Senior Management personnel have indicated that they will more than take-up their rights in the event of any shortfall (being New Shares offered but not taken up under the Entitlement Offer). The Company advises that the shortfall commitments of key executives does not exceed 0.6 % of the issued capital of the Company post Capital Raise;
- (viii) the above shortfall commitments are subject to there being sufficient shortfall available under the Entitlement Offer and the directors of the Company reserve the right to place, issue and allot any shortfall, at a price not less than the Issue Price within the period permitted under the relevant Listing Rule;
- (ix) the directors of the Company will not otherwise exercise their discretion regarding allocation of any shortfall in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the Listing Rules; and
- (x) It is not currently anticipated that any shareholder of BFC or investor will increase their relevant interest above 20% as a result of participating in the Capital Raising.

Yours sincerely,



Richard Willson
Company Secretary
Beston Global Food Company Limited

This notice was authorised by the board of Beston Global Food Company Limited.