

BPH GLOBAL LTD

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Level 5, 126 Phillip Street, Sydney NSW 2000, Australia

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Company Announcements Platform
Australian Securities Exchange

Market Update on China business activities

Highlights

- **Executive Directors in China to advance BP8's China-based projects**
- **Wide and deep engagement with potential China-based cornerstone investors**
- **Continued activation of sales, marketing, and distribution channels for Bird's Nest products**
- **Focus on securing sales and distribution agreement with China Tobacco**

The Board of BPH Global Ltd (ASX: BP8) (**Company**) announces that the Company's executive Directors Matthew Leonard and Frank Cannavo are in China for a series of commercial meetings and prospective cornerstone investor meetings over a 3-4 week period commencing this week.

This China visit represents a major business development and fundraising opportunity for the Company and follows the new Board's conduct of a rigorous assessment of the Company's business operations, employees' competencies, organisational culture, and financial position that has been ongoing since trading in the Company's securities recommenced in late March 2023.

Recent operational decisions as outcomes of this review process include the appointment of Gaia Mariculture Pte Ltd to manage the Company's research and development facility at the Singapore Marine Aquaculture Centre and the closure of the Company's premises at Defu Lane in Singapore. As announced previously, this R&D facility management agreement will maximise the Company's focus on further developing the Company's proprietary technology for the commercial cultivation of seaweed in Australia and Singapore.

The new Board has implemented a variety of cost-saving measures, including a reduction in Director fees, contractors, and excess headcount. The savings realised through these efforts will be wisely reinvested in key operational areas of the Company's business. This focused approach to cost reduction and strategic capital utilisation has and will yield tangible results, and we anticipate continued progress in this area.

The China visit by Matthew Leonard and Frank Cannavo represents the Board's confidence in the potential for the reactivation and expansion of the Company's bird's nest and hemp operations in China. Activities to be pursued by Matthew and Frank include:

Share placement

The executive Directors will engage widely and deeply with potential investors and financiers in China to negotiate the terms of a share placement to one or more China-based

cornerstone investors. The proposed placement(s) to a cornerstone investor(s) is to be made pursuant to the ASX Listing Rule 7.1 placement authority that was obtained at the Company's general meeting held on 9 June 2023 (**Placement Authority**). Prospective investors include contacts of the Company, contacts of the Company's sales and distribution network in China and China-based clients of the Melbourne office of Sanlam Private Wealth. Given the Company's focus on China as a key market for its bird's nest products, the Board believes that attracting a China-based cornerstone investors(s) that understands and can assist with its business strategy and operations in China will prove to be a strategic advantage.

The Company's fundraising activities in China are taking place while the Company continues to engage with potential investors in Australia and the Asia Pacific region to raise funds pursuant to the Placement Authority.

Bird's nest products

Following on from the re-appointment of Michael Huang as a Director of the Company, the executive Directors will work with Michael in China on reactivating and expanding the Company's bird's nest business in China. This initiative builds on the pilot program which successfully trialled supply and distribution channels for the sale of bird's nest products via China Tobacco's outlets in Guangzhou and via social media influencers on Douyin, the China version of TikTok, from December 2022 to February 2023 (**Pilot Study**).

China Tobacco

To consolidate the Company's plans for growing its sales and distribution footprint for bird's nest products in China, the Company will seek to reach an agreement with its Pilot Study partners for the assignment of the two (2) China Tobacco sales and distribution contracts to the Company.

Trademarks

Like the Company's intentions regarding the China Tobacco contracts, the Company will seek to acquire either the ownership interest in, or rights to use, the trademarks used for the birds nest products in the Pilot Study.

Nanjing-based commercial property development group

The executive Directors will travel to Nanjing to meet with a China-based commercial property development group represented by the Company's former director, Mr Lu Qi. Discussions will be held regarding the potential sale of bird's nest products in commercial properties owned by the group.

Bird's nest supply arrangements

Matthew Leonard has made two recent visits to Malaysia to develop the Company's options for the purchase of raw bird's nests and bird's nest products from Malaysian suppliers for on-sale in China and elsewhere. The executive Directors will leverage those discussions regarding bird's nest supply arrangements to drive discussions and negotiations in China regarding the supply, marketing, and distribution of bird's nest products in China.

Hemp business

The executive Directors will work with Michael Huang in China on reactivating and expanding the Company's hemp business activities.

Timetable milestones

The goals of the new Board and management team over the coming three months arising from the China visit as it sets the direction for the commercialisation of the Company's bird's nest products, are structured around timeline milestones as follows:

- **30 days - The China visit:** Conduct of the China business in accordance with the goals stated above.
- **60 days - Completion of transactions:** Finalisation and execution of agreements regarding the investment and commercial operations opportunities that arise from the China visit.
- **90 days - Execution:** Commence and consolidate operations pursuant to the new commercial operations agreements plus confirmation of use of funds raised during placement.

The Company will provide further updates in due course on its progress with these matters and the achievement of the target timelines set out above.

Conclusion

The Company will continuously assess its strategic plan and make adjustments as necessary, maintaining transparency regarding progress and future strategy decisions. The Board is excited about the road ahead and is looking forward to working with all stakeholders in the ongoing revitalisation of the Company's business operations.

- END -

Authorised for lodgement by the Board of Directors.

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