

BPH GLOBAL LTD

ACN 009 104 330

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

31 July 2023

Company Announcements Platform
Australian Securities Exchange

Quarterly activities report

BPH Global Limited (ASX: BP8) (**BP8** or the **Company** or the **Group**), a plant-based biotechnology company, today released its Appendix 4C and Quarterly Activities Report for the period ended 30 June 2023.

Corporate activities and fundraising

- **Cash position:** BP8 ended the quarter with cash of approximately \$0.51 million (\$0.98 million at 31 March 2023).
- **Extraordinary general meeting:** During the quarter, the Company conducted an Extraordinary General Meeting (held on 9 June 2023) and [obtained shareholder approval](#) for, amongst other matters:
 - ASX Listing Rule 7.4 approval to refresh its 15% issuing capacity under L.R. 7.1;
 - L.R. 7.1 approval of the issue of the placement options to placement investors;
 - L.R. 10.11 approval for purchase of shares by directors and former directors;
 - L.R. 7.1 approval for a share placement to professional and sophisticated investors with a capacity of up to 250,000,000 shares (**Placement Authority**); and
 - Approval to change the name of the Company from Stemcell United Ltd to BPH Global Ltd.
- **Chairman:** During the Quarter, Mr Paul Rosen resigned as Non-Executive Director and Chairman of the Company. Existing Non-Executive Director of the Company, Mr Paul Stephenson, was subsequently appointed as independent Non-Executive Chairman of the Board.
- **Board review of operations:** Trading in the Company's securities re-commenced on 30 March 2023. Since that time, the new Board has conducted a rigorous assessment of the Company's business operations, employees' competencies, organisational culture, and financial position. This assessment review of past, current, and proposed operations is ongoing. Recent operational decisions as outcomes of this review process include the appointment of Gaia Mariculture Pte Ltd (**Gaia Mariculture**) 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.

The new Board has Implemented a variety of cost-saving measures, including a reduction in Director fees, contractors, and excess headcount. The Company has also, during the quarter, terminated all agreements with advisors as announced on [18 May 2023](#). Termination of the advisory agreements alone will save the Company approximately \$48,000 per annum. The savings realised through all 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.

- **Related party remuneration:** Total aggregate cash payments of \$26,000 were made during the quarter to related parties and their associates as remuneration. Details of these payments are included in items 6.1 and 6.2 of the Appendix 4C.

Placement Authority

Pursuant to the Placement Authority the Company is authorised to issue up to 250,000,000 shares at a minimum issue price per share equivalent to a discount of 25% of the previous 15 days VWAP from the issue date to sophisticated and professional investors. Placements made pursuant to the Placement Authority will provide funding to be used principally for the development of the Company's bird's nest business activities. In particular, the Board views the proposed sales of raw bird's nest and manufactured bird's nest products in China as the Company's best option to produce material revenue streams in the near term. The funding will also be essential to secure its operations, particularly the operation of the Company's seaweed R&D facility in the Singapore Marine Aquaculture Centre on St John's Island in Singapore. The R&D facility focuses its research into the viability and commercial feasibility of cultivating, harvesting, and processing seaweeds and sea plants in Singapore and Australia.

The executive Directors will engage widely and deeply with potential investors and financiers in Australia, China and the APAC region to raise funds pursuant to the Placement Authority. Prospective investors include existing shareholders, contacts of the Company in Australia, China and the APAC region, contacts of the Company's sales and distribution network in China and clients of the Melbourne office of Sanlam Private Wealth in both Australia and China.

As previously announced on [20 July 2023](#), one of the primary reasons for the visit by the Company's executive directors to China is to negotiate the terms of a share placement to one or more China-based cornerstone investors. 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 investor(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 business

During this current reporting period, the Company has continued its focus on the development of its bird's nest business. Activities undertaken during this period include:

- **Michael Huang:** Mr Michael Huang re-joined the board in early [July 2023](#), bringing his expertise and network in sales and distribution and bird's nest businesses in China back to the Company. Mr Huang took the lead role on behalf of BP8 in conducting the pilot program in China in late 2022 and early 2023. The pilot program 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.
- **China Visit:** Following on from the re-appointment of Michael Huang as a Director of the Company, the executive Directors are working with Mr Huang 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**).

Given these new opportunities and following on from the Board's review of previous bird's nest opportunities, the Company is not actively seeking to re-engage with Ah Yat Abalone Princess (HK) Ltd (Ah Yat). In relation to Yunnan Hongyi Agriculture Development Co Ltd, Michael Huang will lead the Company's initiative to explore commercial sales of bird's nest products to this Company in due course.

- **China Tobacco:** To consolidate the Company's plans for growing its sales and distribution footprint for bird's nest products in China, the Company is negotiating the terms of an agreement with its Pilot Study partners for the assignment of the two (2) China Tobacco sales and distribution contracts to the Company or the acquisition of their Pilot Study partners' corporate entity that holds the rights to the relevant sales and distribution contracts. The Company plans to finalise the negotiations on the terms of this agreement during August 2023.
- **Trademarks:** The Company is also negotiating the terms of an agreement with its Pilot Study Partners for the acquisition of the rights to use the trademarks pursuant to which the bird's nest products were sold in conduct of the Pilot Study or the acquisition of the Pilot Study partners' corporate entity that owns the relevant trade marks. The Company plans to finalise the negotiations on the terms of this agreement during August 2023.

Resina

The Company previously supplied processed resina in cake form to Zhejiang Forest Rainbow Medical Co Ltd (**ZFRM**) as raw material for subsequent processing into other TCM products by that company. Given the BP8 is prioritising the sales and distribution opportunities in its bird's nest business in China via China Tobacco and Douyin, the Company is not anticipating the commencement of negotiations with ZFRM for a new resina supply agreement until at least Q4 2023.

Seaweed

- **Gaia Mariculture:** As announced previously on [12 July 2023](#), the R&D facility management agreement with Gaia Mariculture Pte Ltd (**Gaia Mariculture**) will maximise the Company's focus on further developing the Company's proprietary technology for the commercial cultivation of seaweed in Australia and Singapore. Pursuant to the Consulting Agreement, the services to be provided by Gaia Mariculture to the Company include:
 - general consulting and advice on the operation of the R&D facility, including assistance in maintaining the Company's relationship with the Singapore Food Agency (**SFA**) and the tenancy agreement with the SFA regarding the R&D facility;
 - consulting and advice on the establishment and operation of research into the viability and commercial feasibility of cultivating, harvesting and processing seaweeds and sea plants in Singapore and Australia (**Research Projects**); and
 - undertaking Research Projects on seaweed cultivation and/or seaweed processing using the student interns engaged by the Company, and report results and outcomes of those Research Projects to the Company.
- **Floating platform, East Johor Strait:** The Company's review of the commercial feasibility and utility of the floating platform is ongoing as the Company considers the available options to maximise the value that can be achieved from either its retention or sale. The Company continues to be in contact with its joint venture partner Rong Yao Fisheries in relation to the conduct and findings of this review.
- **Baker's Oven:** In the context of the Company's ongoing review of its seaweed operations, a review of the Baker's Oven supply agreement is also being undertaken. Any matters arising out of this review will be discussed with Baker's Oven.
- **Business development manager:** After reviewing the Company's seaweed operations as conducted in the year prior to the re-commencement of trading in the Company's shares, the Company does not intend to appoint a seaweed business development officer in Singapore at this time.

Hemp

Given the Company is prioritising the sales and distribution opportunities in its bird's nest business in China via China Tobacco and Douyin, the Company is not anticipating the commencement of negotiations with Yunnan Hongyi Agriculture Development Co Ltd or Heilongjiang Beimei Industrial Hemp Technology Co Ltd until at least Q4 2023. The Company anticipates that discussions regarding both bird's nest and hemp opportunities with Yunnan Hongyi Agriculture Development Co Ltd will be held concurrently. These discussions will be led by the Company's director based in China, Mr Huang.

Lantene

As announced on 24 April 2023, the Company has not been paid the outstanding purchase price for the sale of its remaining 45% shareholding in Shenzhen Lantene Dingzhi Biotechnology Co Ltd (Lantene) in accordance with the terms of the original sale agreement entered into with the buyer, Mr Cao. The Company is currently considering its legal options in relation to such matter and is also conducting ongoing discussions with the buyer, Mr Cao, regarding payment of this outstanding debt and completion of the sale of its shareholding in Lantene.

- END -

Authorised for lodgement by the Board of the Company.

For further information, please visit our website at www.bp8global.com or contact:

Mr Paul Stephenson

BPH Global Limited

Chairman

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BPH GLOBAL LIMITED

ABN

57 009 104 330

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	4,684
1.2 Payments for		
(a) research and development	-	(5)
(b) product manufacturing and operating costs	(99)	(4,084)
(c) advertising and marketing	-	(68)
(d) leased assets	(22)	(124)
(e) staff costs	(102)	(470)
(f) administration and corporate costs	(253)	(1,431)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(476)	(1,513)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12..months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(58)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses (Net)	-	65
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	7

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,622
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(71)
3.5	Proceeds from borrowings	11	11
3.6	Repayment of borrowings	-	(95)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	11	1,467

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12..months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	981	625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(476)	(1,513)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	7
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11	1,467
4.5	Effect of movement in exchange rates on cash held	(5)	(75)
4.6	Cash and cash equivalents at end of period	511	511

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	511	176
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) - Cash in lawyer trust account	-	805
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	511	981

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	26
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	-		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(476)
8.2	Cash and cash equivalents at quarter end (item 4.6)	511
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	511
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	(1.07)
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes. Placements will be conducted to raise cash to fund the operations.	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes. Placements will be conducted to raise cash to fund the operations.	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 July 2023.....

Authorised by:the board of directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.