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BFC ANNOUNCES STRATEGIC PARTNERSHIPS IN VIETNAM

Beston Global Food Company Limited ('BFC' or the 'Company') is pleased to announce that it has signed Distribution and Partnership Agreements with two significant companies in Vietnam:

- TMT Trading Company Limited ('TMT')
- and
- Vietnam Beef Business Company Limited ('VBBC')

TMT Trading Company Limited

TMT is a large food distribution business based in Ho Chi Minh, Vietnam with over 18 years' experience in the industry. TMT distributes products in supermarkets and food service outlets in Vietnam for a number of high profile food companies from the USA, Europe and Australia.

The Agreement is for a period of 5 years and covers BFC's high alkaline (pH 8.2+) water products (branded, "ei8h+") Edwards Crossing cheese and Kyubu cheese.

TMT has placed an initial order of one 20ft container of alkaline water, to establish the "ei8h+" water brand in the market place.

Further orders for water, together with orders for Edwards Crossing and Kyubu cheese are to follow in the first quarter of 2017 under the terms of the Agreement.

The CEO of BFC, Sean Ebert, said that BFC was delighted to have established a trading relationship with TMT, a company which is well known in the food industry in Vietnam and which has a very successful track record in promoting and achieving sales for a number of premium international food brands.

The owners of TMT, Mr Sau and Mrs Linh recently visited Australia and visited some of the operations of BFC, as well as meeting with representatives from the South Australian and Victorian Governments.

Vietnam Beef Business Company Limited

VBBC is a specialist beef producer and importer, based in Hanoi, Vietnam which operates its own farms, own processing and own distribution of beef products throughout Vietnam and in certain provinces of south - west China. As such, VBBC has a similar "closed loop supply chain" model as BFC, but with a focus only, at this stage, on meat products.

The Company has significant investments in infrastructure, including feed lots and sea ports, and has entered into the Agreement with BFC with a view to expanding the range of food and beverage products it supplies to the market in Vietnam and better utilise its extensive distribution channels.

The Agreement targets minimum sales of AUD 10 million of BFC products by VBBC in the first full year of operations.

By the virtue of the geographic location of the operations of VBBC in northern Vietnam, VBBC is in the process of expanding its marketing and distribution efforts into the Southern provinces of China (a market of 325 million people) and Cambodia (a market of 10 million people).

Under the terms of the Agreement, BFC and VBBC will explore and develop a number of projects for joint cooperation, including the manufacture of "Yarra Valley" ready-to-eat meals to replicate the arrangements which BFC has put in place in Chia with the Hondo Agricultural Company.

The Chairman of BFC, Dr Roger Sexton said that the signing of these two agreements in Vietnam reflect the strategic focus of BFC to develop partnership arrangements with well-established companies in the key growth markets of Asia where the food and beverage products produced by BFC can complement the attributes of the selected partner.

"A number of our senior management team have had extensive experience in Vietnam and these new agreements will build on the relationships already established in the country through our office in Ho Chi Minh", Dr Sexton said.

"Vietnam currently consumes more meat products than it produces domestically, with the gap widening each year, hence providing a significant opportunity for high quality, clean, green meat exports from Australia", he said.

About Vietnam

Vietnam is a country of some 94.3 million people and is projected to be one of the fastest growing economies in Asia. The GDP growth rate of Vietnam has averaged 6.45% per annum over the last ten years.

Domestic consumer demand in Vietnam increased by 23% in 2012 according to AC Nielson (compared with 18% in India) as a result of favourable demographics, increasing urbanisation and a rise in disposable incomes. Vietnam is also experiencing structural changes in its consumer markets inducing greater demand for convenience foods, greater focus on the quality and health aspects of food products, and increasing preference for branded products and a demand for new types of food and beverage products.

The size of the market for foodstuffs in Vietnam has been estimated at AUD 93 billion in 2016 by Euromonitor International and has been forecast to grow at 12.3% in 2017 and 14.8% in 2018. Food consumption accounts for 43% of all household consumption expenditures in Vietnam (i.e. more than four times the expenditures on housing).

A survey by AC Nielson in 2015 found that Vietnamese consumers are increasingly aware of health and wellness issues and are paying greater attention to the quality and safety of food. Some 48% of respondents in the survey stated that "staying fit and healthy" was their top concern.

Vietnam has one of the youngest demographic profiles in Asia, nearly 70% of the Country's population are under 30 years of age.