

14 June 2016

ASX CODE: BFC

BFC PARTNERS WITH CHINESE CATERING INDUSTRY B2B E-COMMERCE LEADER

Beston Global Food Company Limited ('BFC' or the 'Company') has entered into a strategic partnership with JM WOWO Limited ('JM WOWO'), China's leading catering and food service industry B2B e-commerce platform.

JM WOWO's platform was originally established to facilitate the sourcing of food and beverage products by 42 founding restaurant chains in China.

Headquartered in Hong Kong and listed on the Nasdaq (code: WOWO), JM WOWO provides integrated supply chain management services and now caters for more than 1,000 restaurant chains in China, representing approximately 60,000 restaurants in 90 cities.

JM WOWO was formed by the recent merger of Join Me Group (HK) Investment Company Ltd (JMU), one of the largest B2B procurement platforms for the food service industry in China with WoWo Limited which operated an e-commerce platform focused on lifestyle services in China, including restaurants. The merger has created the largest food service internet company in China.

BFC Chairman, Dr Roger Sexton said that the Memorandum of Understanding (MOU) signed with JM WOWO fitted with BFC's strategy to expand its e-commerce sales channels in addition to the traditional sales outlets for its products such as supermarkets and convenience stores. Other similar arrangements were under negotiation in other countries, he said, so as to gradually build a global e-commerce sales distribution and financing infrastructure for BFC products.

"The objective of our company's e-commerce strategy is to have an inter-linkage of B2B and B2C e-commerce platforms which utilise the consumer reach and funding power of the platform operators," Dr Sexton said. "These platform operators typically provide a credit financing facility so as to assist customers using the platforms to pay for their orders, thereby minimising the debtor risk borne by suppliers."

The partnership agreement with JM WOWO is an important step in our global e-commerce strategy Dr Sexton said. "The catering industry in China represents significant potential for BFC and the portfolio of high quality brands and technology which we bring to the table."

Dr Sexton said the partnership would not only open new markets for a range of quality Australian food and beverage brands, but BFC's unique tracking and anti-counterfeit technology would also provide JM WOWO with enhanced food safety and traceability.

The OZIRIS technology developed by BFC was one of the attractions to JM WOWO in entering into the MOU he said.

“Food safety requirements in China have risen substantially in recent times. BFC is in the unique position to provide the peace of mind across the supply chain that global customers and catering companies desire,” Dr Sexton said.

Under the MOU BFC will:

- Become a foreign supplier of foodstuffs on the JM WOWO platform
- Provide access to BFC’s OZIRIS and Brandlok technologies to enable JM WOWO to ensure that its suppliers, and the products sold on its B2B platform, are reputable and safe.

OZIRIS enables customers to track and trace their purchases back to the point of origin, while Brandlok anti-counterfeiting technology provides customers with peace of mind the product they purchase is the product they receive. The anti-counterfeit food traceability technology is a world first.

The CEO of BFC, Mr Sean Ebert, said the partnership agreement positioned BFC alongside other leading Asian brands at the doorstep of a rapidly growing industry with an increasing appetite for high quality produce. South Korean company CJ Group, the largest food company in Korea, also uses the JM WOWO e-commerce platform to source products for its operations.

Food service has become the third largest industry in China following the real estate and automotive industries. In 2014-15, the National Statistics Bureau reported that China’s catering (food service) industry had a turnover of around AUD\$50 billion and had grown by 97% on the previous year.