



**THE FOOD
REVOLUTION
GROUP**

ASX Announcement

1 November 2018

FOD completes Tranche 2 of \$20.25 million strategic investment and Norman Li appointed Chairman

Highlights:

- **FOD receives second tranche payment (\$2.51 million) as part of the strategic investment announced 10 September 2018**
- **To complement his investment and Careline's own distribution capabilities Norman Li has nominated AFSL holder, Pacific International Fund Management Pty Ltd ATF Pi Trust to co-invest with Careline and facilitate investments by other strategic partners who will distribute FOD's products**
- **Top Warehouse and Aurelife Pty Ltd are the first strategic partners to join the Trust and will negotiate distribution deals with FOD**
- **Dr Norman Li is appointed Executive Chairman of FOD**
- **Pursuant to the share subscription deed, Careline is incentivised to rapidly grow FOD's distribution and product expansion from ~A\$35 million to up to \$500 million within three to five years**

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it has issued 46,481,482 fully paid ordinary shares in total to Careline Australia Pty Ltd (**Careline**) and Pacific International Fund Management Pty Ltd as trustee for the Pi Trust (the **Trust**) in line with Tranche 2 of a \$20.25 million strategic investment led by Careline and its CEO Norman Li.

In Tranche 2, Careline has subscribed for 5,740,741 ordinary shares and the Trust has subscribed for 40,740,741 ordinary shares to raise a total of \$2,510,000.

Norman Li has established and will manage the Trust to attract new strategic partners to invest in FOD and help distribute FOD products in Australia and China. The first two strategic partners and investors in the Trust are Top Warehouse and Aurelife Pty Ltd.

Top Warehouse offers local retailers a one stop shop for a large range of premium Australian products. It covers approximately 50 warehouses, 200 gift shops and 20,000 daigous (personal shoppers) in Sydney, Melbourne and Brisbane. It also has a centralised warehouse where it picks and sends products directly to China.

Aurelife Pty Ltd is an Australian Company with a mission to export high quality Australian and New Zealand products to China using cross border and E-commerce platforms between Australia and China.

It has very strong relationships with Alibaba, JD, Netease Kaola.com, Sasa and Mannings. It also is the owner of a very exclusive three Golden Crowns Taobao Shop that has over 400,000 followers. In the offline space it supplies many supermarkets, department stores and Sinopharma Pharmacies.

FOD will negotiate distribution agreements with Top Warehouse and Aurelife directly.

FOD previously announced the strategic investment and a Chinese distribution deal with Careline on 10 September 2018.

The Tranche 2 investment from Careline and the Trust raised \$2.51million in addition to the Tranche 1 investment of \$1 million that completed last month. Under the share subscription deed FOD has entered with Careline and Norman Li, two of the five tranches of subscription shares have now been issued, with the last three tranches subject to shareholder approval.

Following the issue of the Tranche 2 Shares, Careline and the Trust jointly hold approximately 13% of the issued ordinary shares in FOD. Pursuant to the share subscription deed dated 5 September 2018 (**Subscription Deed**), Careline is incentivised via the issue of Performance Shares (subject to shareholder approval) to rapidly grow FOD's distribution and product expansion from ~A\$35 million to up to \$500 million within three to five years as part of the deal.

Dr Norman Li will be appointed Chairman of The Food Revolution Group as of the 1 November 2018 and has the right under the Subscription Deed to appoint an additional two directors to the FOD Board.

Bill Nikolovski said, "Since joining FOD, Norman has already introduced many new partners and distributors to the Company. This will make us a stronger company that will benefit all shareholders.

"We have been working on developing new products and have recently installed three sachet machines at our plant in Mill Park that will make new food supplements that will be distributed through Careline's network and our new partners.

"Norman's plans for the company are transformational and he will make a great Chairman".

Norman Li said" I am extremely excited to become Chairman of FOD and build the company and its shareholder value. We are planning to develop a distribution network that will be second to none that will see us fill the spare capacity at the Mill Park factory.

"We recently promoted the FOD juices at the Alibaba trade show, and next week we will show them at an international import trade show in Shanghai where, together with Careline, we will have a big presence. We hope this leads us to developing further partnerships with top Chinese distributors.

"I am in discussions with other distributors , who will become additional strategic partners"

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About The Food Revolution Group

The Food Revolution Group Limited (ASX: FOD) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

FOD uses a range of processing technologies, including Current Counter Extraction (CCE) technology which was developed in conjunction with Australia's CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

FOD is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets, including China.