



**THE FOOD  
REVOLUTION  
GROUP**

ASX Announcement

17 January 2019

## **The Food Revolution Group to upgrade processing facility and expand product range to meet Chinese demand**

### **Highlights:**

- **FOD's Mill Park processing facility will be upgraded allowing for improved financial metrics, increased volume and product diversification to satisfy high demand from Chinese customers**
- **Upgrade of processing facility enables FOD to produce high end, high margin and high-volume products such as fish proteins and functional health and beauty aids for the fast-growing "better-for-you" market and expands the Company's product range**
- **The Company will install new machinery comprising gel/liquid sachet machines and powder sachet machines to manufacture these products which will be distributed through Careline's extensive sales network and through FOD's key distribution partners**
- **This is an important step for FOD to rapidly scale its business as the upgrade will significantly increase the efficiency and financial metrics of the plant – resulting in capacity expansion of multiple times the current rate and assist in ramping up revenues to the Company's longer-term internal target of \$500 million per annum**
- **FOD expects the plant upgrade to be completed in the June quarter and product sales to commence shortly afterwards.**

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it has upgraded its Mill Park processing facility to allow for increased volume and to expand product range following high demand from Chinese customers.

In anticipation of increased sales into China, a state-of-the-art fully self-contained 1260sqm clean room with laboratory and powder mix room will be installed at the facility. The upgrades mean the facility will now be able to produce in-demand functional health and beauty aids which can be sold into China.

FOD's Chief Operating Officer John Florey has been instrumental in formulating and implementing this strategic initiative.

The Company will install new machinery comprising gel/liquid sachet machines and powder sachet machines to manufacture fish protein and functional health and beauty aids which will be distributed through Careline's extensive sales network and through FOD's key distribution partners.

The upgrade is an important step for FOD to rapidly scale its business as it will increase the efficiency and financial metrics of the plan, resulting in capacity expansion of multiple times the current rate and greatly assist in ramping up revenues to the Company's five-year internal target of \$500 million

per annum.

FOD Chairman and major shareholder, Dr Norman Li, is the founder of Careline, a major manufacturer and exporter of skincare products, supplements and baby formulations into China. Dr Li has significant distribution capabilities across China and is incentivised to grow FOD's sales to A\$100M in the short-term and A\$500M within five years.

The plant upgrade follows recent distribution deals with the world's largest oil, refining gas and petrochemical conglomerate China Petroleum and Chemical Corporation ("Sinopec") to distribute FOD's Australia Garden Canola Oil across its network of 35,000+ petrol and convenience outlets and with JJ Global Fine Foods to supply Fruit Farm Orange Juice through mainland China and across high-end hotel chains.

The Company anticipates that selling its products in high-end hotel chains will not only increase the presence and status of its Australian Fruit Farm brand in China but also rapidly expand FOD's distribution footprint. As previously announced, JJ Global and FOD expect that volumes will grow approximately 50% on a year-on-year basis.

The Food Revolution Group's Chairman, Dr Norman Li, said FOD was well positioned to drive revenue growth following the upgrade of the Company's processing facilities.

"The upgrade at our Mill Park processing facility will allow for increased volume to build our sales into China and we look forward to producing functional health and beauty aids which will expand the company's export range.

"We anticipate that the upgrade will increase the capacity of our plant multiple times in terms of potential revenue generation.

"Following strong interest in our products by Chinese customers we anticipate further distribution deals in the near-term as we build our brand presence across China.

**For more information, please contact:**

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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.