



ASX Announcement

18 June 2019

FOD completes transaction with Chairman Mr Norman Li and receives \$3.51 million to finalise third investment tranche

Highlights:

- **\$20.25 million strategic agreement and distribution agreement with Careline Australia Pty Ltd, its founder and FOD Chairman Mr Tao (Norman) Li approved at EGM of shareholders on 14 June 2019**
- **FOD has received the balance of Tranche 3 (\$3.51 million) as part of the strategic investment. Tranche 3 totalled \$5.4 million including Bridge Funding of \$1.89 million announced 8 March 2019**
- **Chairman Norman Li has now invested \$8.91 million into the Company and the remaining two tranches to be invested total an additional \$11.34 million**
- **Mr Li has made a substantial financial investment in the Company and since the announcement of his involvement in September 2018 has expanded the Company's relationships and reach into China**
- **With the transaction now completed and further funding secured the Company will continue growing out its capabilities and distribution into China, which includes finalising the upgrades to its Mill Park facility as well as marketing and innovation of new products for international markets**

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it has received \$3.51 million as part of Tranche 3 of its \$20.25 million strategic investment agreement with Careline Australia Pty Ltd (Careline) and its founder and CEO Mr Tao (Norman) Li.

Receipt of Tranche 3 funding follows shareholders approving three resolutions concerning the strategic investment of Mr Norman Li and Careline at an Extraordinary General Meeting held on Friday 14 June 2019.

Tranche 3 totalled \$5.4 million including the Bridge Funding of \$1.89 million provided by Mr Li on 8 March 2019. The total \$20.25 million strategic investment takes place over 5 tranches with the first 3 tranches now completed:

- a) Tranche 1 – 18.5 million ordinary shares, an investment of \$1,000,000, on or before 28 September 2018.
- b) Tranche 2 – 46.5 million ordinary shares, an investment of \$2,510,000, on or before 31 October 2018.
- c) Tranche 3 – 100 million ordinary shares, an investment of \$5,400,000, on or before the next business day after this issue of shares has been approved by shareholders.
- d) Tranche 4 – 100 million ordinary shares, an investment of \$5,400,000, on or before 5 September 2019

- e) Tranche 5 – 110 million ordinary shares, an investment of \$5,940,000, on or before 5 March 2020

The capital contributed by Chairman Mr Norman Li will be principally utilised to increase the scale and distribution capabilities of the Company and to further expand distribution into China as follows:

- a) Upgrading its production facilities at its Mill Park factory, allowing for increased volume and product diversification for its push into China, including the installation of:
 - (1) a state-of-the-art fully self-contained clean room with laboratory and powder mix room; and
 - (2) new machinery comprising gel/liquid sachet machines and powder sachet machines to manufacture fish protein and functional health and beauty aids;
- b) develop new product lines, in conjunction with Careline, such as in-demand functional health and beauty aids which can be sold into China;
- c) further develop its distribution capabilities and general working capital.

FOD announced the investment and distribution agreement in September 2018 and Mr Li assumed the role of FOD's Executive Chairman in November 2018. The Company has achieved a number of significant milestones following his involvement:

- Receiving China Inspection and Quarantine Certificate (CIQ) for its orange and apple juices, allowing export to China;
- Signing a MOU with ICC Global Pty Ltd which will see ICC Global order \$8 million of FOD's products by 31 December 2020;
- Receiving first juice orders from Costco China in June 2019 as the global brand prepares to open its first retail store in Shanghai;
- Signing a MOU with China Petroleum & Chemical Corporation ("Sinopec");
- Signing a juice supply contract to China with JJ Global Fine Foods, with first orders shipped in February 2019;
- Receiving first juice orders from Metcash distribution with Juice Lab products now sold in Metcash IGA and Foodworks supermarkets in Victoria; and
- Executing a 12-month juice contract with Aldi

With the transaction now completed and further funding secured the Company can build on the momentum generated to date and continue growing out its capabilities and distribution domestically and into China. The Company looks forward to updating the market further as it progresses through this exciting growth phase.

For more information, please contact:

Nathan Ryan

Investor/media relations

Nathan.ryan@nwrcommunications.com.au

+61 420 582 887

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.