# BPH GLOBAL LIMITED

**ACN 009 104 330**

**Level 5, 126 Phillip Street, Sydney NSW 2000, Australia**

**31 January 2024**

Company Announcements Platform
Australian Securities Exchange

## Quarterly Activities Report

BPH Global Limited (ASX: BP8) **("BP8" or the "Company" or the "Group")**, a plant-based biotechnology company, today released its Appendix 4C and Quarterly Activities Report for the period ended 31 December 2023.

**Corporate activities**

BP8 ended the quarter with cash of approximately $0.366 million ($0.337 million at 30 Sep 2023).

On 12 October 2023, the Company disclosed in a cleansing prospectus that it had completed a fund raising in the aggregate amount of $970,000 under placement and convertible note offers comprising:

- $368,750 in commitments from institutional, professional and sophisticated investors for 368,750 convertible notes under the convertible note offer;
- $371,250 from institutional, professional and sophisticated investors for 247,500,000 shares and new options under the placement; and
- $230,000 from Directors and the Company's chief financial officer (**CFO**) for 153,333,333 shares and attaching new options under the placement offer, the amount having been agreed to be offset against unpaid amounts owing and payable by the Company to those Directors and the CFO.

Total aggregate cash payments of $56,000 were made during the quarter to related parties and their associates as remuneration. Details of these payments are included in items 6.1 and 6.2 of the Appendix 4C.

**Completion of Acquisition of China based Foshan Gedishi Biotechnology Co Ltd**

During the December Quarter the Company completed its acquisition of Foshan Gedishi Biotechnology Co Ltd (**Foshan**).

In its 30 day update announcement made on 1 September 2023, the Company highlighted the pilot program which successfully trialled supply and distribution channels for the sale of bird's nest products via China Tobacco's outlets in Guangzhou and via social media influencers on Douyin, the China version of TikTok, most recently from December 2022 to February 2023 (**Pilot Study**).

On 11 December 2023, the Company announced that it had issued 100 million shares in the Company to the Foshan shareholders following satisfaction of the Company's conditions precedent to completion of the acquisition. The issue of these shares was approved by shareholders at the Company's annual general meeting held on 21 November 2023, conditional on the satisfaction of the conditions precedent to completion. On 2 January 2024, the Company injected $200,000 into Foshan formally starting the business,

and on about mid January 2024, the Company completed the registration of Foshan as a wholly-owned subsidiary of the Company.

The Company is now in full control of the operation and direction of the birds' nest business in China and has placed Foshan in an enhanced position to negotiate birds' nest supply agreements with suppliers.

**Sale of floating platform in East Johor Strait**

As part of its ongoing strategic review of its seaweed operations the Company undertook an in-depth, thorough review of the viability of the floating platform in the East Johor Strait. It had been a significant legacy issue for the new management team since the Company re-commenced trading on the ASX in late March 2023.

The Company's review concluded that operating the platform for the purposes of growing seaweed would have cost the Company approximately SGD15,000 per month, a very significant sum given the challenges the Company endured in its efforts to farm seaweed on a commercial basis in the East Johor Strait. The Board concluded that seaweed could not be cultivated and harvested on a commercial basis in the East Johor Strait. Dismantling the platform would have cost a minimum of SGD150,000. Given these alternatives, the Company focused its efforts on locating a buyer for the platform.

The Company announced the sale of the platform on 14 December 2023, which was achieved by the sale of the joint venture company which owned the platform. The purchaser paid the balance of the purchase price on 10 January 2024.

The sale of the platform represents a major milestone for the Company. BP8's share of the purchase price constituted a significant boost to the Company's cash reserves. The Company's management will no longer be burdened with the obligation of maintaining the platform and can focus on its R&D activities in the Company's seaweed program. Had the Company been left with no option other than to dismantle the platform, it would have required a substantial capital outlay and would have required management time that would otherwise be spent on developing existing and new business opportunities.

**St John's Island R&D facility:**

As part of the Company's ongoing review of its seaweed operations, the Company terminated the lease of its premises at the Singapore Aquaculture Centre on St John's Island in December with a view to combining its R&D operations with those of its consultant, Gaia Mariculture Pte Ltd (**Gaia Mariculture**). Following execution of the R&D facility management agreement with Gaia Mariculture, the Company determined that its efforts to develop its proprietary technology for the commercial cultivation of seaweed and for the extraction of nutraceuticals would be best served if it re-locates its operations to shared premises with Gaia Mariculture.

This decision will avoid unnecessary duplication and costs that arise from operating on multiple sites and the travel time taken moving between sites. Shared premises will also maximise collaboration and joint enterprise opportunities.

The Company will continue its ongoing review of its seaweed operations as part of its focus on the commercialisation of seaweed cultivation and the production of food and cosmetic products infused with nutraceuticals extracted from different seaweed species.

**Joint venture with Singapore-based Chemokine Yuesheng Pte Ltd**

The joint venture with Chemokine has determined to focus on the development of two (2) birds' nest related products:

- A capsule form birds' nest product incorporating Australian honey extract; and
- A nutraceutical form birds' nest product incorporating nutraceuticals extracted from mushrooms.

During the reporting period, the Company's executive Directors have continued discussions with representatives of Chemokine with a view to finalising the commercialisation terms for each project and to agree the budgets for each project.

**Lantene Dingzhi Biotechnology Co Ltd**

As announced previously, the Company has not been paid the outstanding purchase price for the sale of its remaining 45% shareholding in Shenzhen Lantene Dingzhi Biotechnology Co Ltd (**Lantene**) in accordance with the terms of the original sale agreement entered into with the buyer, Mr Cao.

The Company also understands that Lantene and/or Mr Cao is the subject of certain regulatory action by the Chinese Government authorities including the placement of a lien over Lantene and/or its business. The Company is endeavouring to obtain additional information regarding these matters.

The Company will continue to explore its legal options in relation to these matters.

**Composition of the Board and management**

At the Company's annual general meeting held in November 2023, shareholders did not vote to re-elect Mr Philip Gu as a Director of the Company. As a result, Mr Gu's service as a Director of the Company ended at that time.

Also in November 2023, Mr Matthew Leonard was appointed as the Managing Director of the Company.

- END -

Authorised for lodgement by the Board of the Company

For further information, please visit our website at www.bp8global.com or contact:

Mr Matthew Leonard
BPH Global Limited
CEO / Executive Director
E: matthewl@bp8global.com

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

BPH GLOBAL LIMITED

| **ABN** | **Quarter ended ("current quarter")** |
|---|---|
| 57 009 104 330 | 31 December 2023 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (..06..months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | - | - |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | - | - |
| | (d) leased assets | (8) | (18) |
| | (e) staff costs | (111) | (238) |
| | (f) administration and corporate costs | (326) | (506) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(445)** | **(762)** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (..06..months) $A'000 |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses (Net) | - | - |
| | (c) property, plant and equipment | 47 | 95 |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **48** | **48** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 286 | 371 |
| 3.2 | Proceeds from issue of convertible debt securities | 169 | 169 |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (27) | (27) |
| 3.5 | Proceeds from borrowings | 1 | 12 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **429** | **525** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (..06..months) $A'000 |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 337 | 510 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (445) | (762) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 47 | 95 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 429 | 525 |
| 4.5 | Effect of movement in exchange rates on cash held | (2) | (2) |
| **4.6** | **Cash and cash equivalents at end of period** | **366** | **366** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 366 | 337 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **366** | **337** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 56 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

-

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (445) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 366 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 366 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | (0.82) |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company is planning further placement to raise cash to fund the operations.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Placement is being planned to raise cash to fund the operations.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....31 January 2024.....

Authorised by: .....The Board of Directors.....
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.