



BPH GLOBAL LTD
ACN 009 104 330

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Company Announcements Platform
Australian Securities Exchange

BP8 sources Bird's Nest Products from Chinese State-owned conglomerate China National Pharmaceutical Group Corporation (commonly known as Sinopharm)

- **Framework bird's nest supply agreement signed with China-based supplier**
- **Bird's nest products are sourced from Malaysian-based subsidiary of Chinese State-owned conglomerate China National Pharmaceutical Group Corporation (commonly known as Sinopharm).**
- **Key component of the Company's 120-day business plan achieved.**
- **Supply agreement to underpin further expansion of sales & distribution channels for Bird's Nest products in China.**

The Board of BPH Global Ltd (ASX: BP8) (**Company**) is pleased to announce that its wholly-owned, China-based subsidiary Foshan Gedishi Biotechnology Co Ltd (**Foshan Gedishi**) has entered into a framework supply agreement with China-based company Guangzhou Xiaoliwu Biotechnology Co Ltd (**Guangzhou Xiaoliwu**) for the supply of bird's nest products to Foshan Gedishi for on-sale into the Chinese market (**Guangzhou Xiaoliwu Supply Agreement**).

Framework supply agreement

The Guangzhou Xiaoliwu Supply Agreement is a single-supplier framework agreement, pursuant to which Foshan Gedishi may place orders for a variety of bird's nest products as and when Foshan Gedishi requires on terms set out in the supply agreement and as otherwise varied by the agreed terms of a purchase order. Obligations of Guangzhou Xiaoliwu under the Guangzhou Xiaoliwu Supply Agreement and or rights granted by Guangzhou Xiaoliwu to Foshan Gedishi include:

- The bird's nest products supplied are fit for purpose and compliant with all Chinese laws and regulations.
- On delivery of each shipment of bird's nest products, Guangzhou Xiaoliwu must provide Foshan Gedishi with a copy of the:
 - inspection and quarantine certificate relating to that shipment issued by the China Entry-Exit Inspection and Quarantine Department; and
 - customs declaration, a copy of certificate of origin and veterinary (health) certificate issued by Chinese Customs Department.

- Delivery of the bird's nest products is to be made to Foshan Gedishi in China. Subject to exclusions for damaged or lost goods and late delivery, Foshan Gedishi will pay Guangzhou Xiaoliwu for the cost of transportation.
- The risk of damage or loss of the bird's nest products transfers from Guangzhou Xiaoliwu to Foshan Gedishi from the date of delivery.
- Foshan Gedishi has the right to reject goods that do not comply with the Guangzhou Xiaoliwu Supply Agreement and/or a purchase order condition regarding the packaging, quantity and specifications of the products.
- Foshan Gedishi has certain rights including compensation from Guangzhou Xiaoliwu and the right to terminate the Guangzhou Xiaoliwu Supply Agreement for breaches of the agreement including for late delivery of stock or damaged or lost goods.

About Guangzhou Xiaoliwu Biotechnology Co Ltd

Guangzhou Xiaoliwu is a China-based company that focuses on the import of bird's nest products from Malaysia to China. Guangzhou Xiaoliwu operates as both a wholesaler to China-based re-seller and a retailer of bird's nest products in China.

Guangzhou Xiaoliwu has a distribution agreement with Malaysia-based company Tian Ma Bird Nest Sdn Bhd (**Tian Ma**) for the sale and distribution of Tian Ma-sourced bird's nest products in China. On previous visits to Malaysia, including the visit in March this year, the Company's management team met numerous times with Tian Ma to secure the right to purchase Tian Ma's bird's nest products and to sell them in China. Tian Ma suggested that the Company could obtain its bird's nest products by entering into an agreement with Guangzhou Xiaoliwu one of the principal suppliers of Tian Ma's bird's nest products in the Chinese market.

Tian Ma is a subsidiary of another Malaysia-based company Zhonghua Southern Pharma Sdn Bhd (**Zhonghua Southern Pharma**). Zhonghua Southern Pharma holds a 70% interest in Tian Ma. Zhonghua Southern Pharma is a wholly owned subsidiary of the group of companies owned by the Chinese State-owned enterprise corporation Sinopharm, and Tian Ma is the bird's nest product arm of the group of companies and corporations that form the Sinopharm group.

About Sinopharm and the Sinopharm group

China National Pharmaceutical Group Corporation (**CNPGC**), commonly referred to as **Sinopharm**, is a Chinese state-owned enterprise. The corporation was the indirect major shareholder of publicly traded companies Sinopharm Group (SEHK: 1099), China Traditional Chinese Medicine (SEHK: 570), Shanghai Shyndec Pharmaceutical (SSE: 600420) and Beijing Tiantan Biological Products (SSE: 600420).

Sinopharm was founded on November 26, 1998, as a holding company for China National Pharmaceutical Corporation, China National Pharmaceutical Industry Corporation, China National Pharmaceutical Foreign Trade Corp. and China National Medical Device. In 2009 it was merged with China National Biotec Group.

Sinopharm was ranked 113th in the 2023 Fortune Global 500 list.

Current 120-day business plan

As stated in the Company's previous announcement regarding the Company's current [120 day business development plan](#), the Board recognises that the Company's ability to secure the supply of quality bird's products at competitive prices underpins its goal of

growing its bird's nest products sales numbers in China. Securing a supply agreement with a major supplier of bird's nest products such as Guangzhou Xiaoliwu Supply Agreement was a major focus of the business visit to Malaysia and China undertaken by the Company's CEO and CFO in March.

The Company will leverage the Guangzhou Xiaoliwu Supply Agreement to acquire bird's nest products in preparation for the next major selling opportunities this year, including:

- **Chinese Autumn Festival:** the Mid-Autumn will be celebrated in China from 15 to 17 September. The work that the Company is now undertaking to expand both its bird's nest supply arrangements and its bird's nest retail footprint will be crucial to maximising its sales performance in the period leading up to this festival. The Company will also work to ensure that it has in place arrangements with key opinion leaders (KOLs) to maximise its sales opportunities on Douyin (the Chinese equivalent of TikTok).
- **Chinese banks – Bird's nest gift program:** The Company continues to negotiate bird's nest products supply agreements with major Chinese banks. Corporate gift giving is an important feature of Chinese corporate culture. High-end bird's nest products are commonly gifted by major banks to their corporate and high net worth clients. Company Director Michael Huang and the Foshan management team are leading the discussions with major banks regarding potential bird's nest supply arrangements with Foshan Gedishi.

Conclusion

As with the previous 90-day plan, the Company will continuously assess this 120-day strategic plan that will take the Company through to the end of FY2024, maintaining transparency regarding progress and future strategy decisions. The Board regards this 120-day plan as a driver of the short-term growth in sales of bird's nest products. The Board continues to be excited about the road ahead and is looking forward to working with all stakeholders in the ongoing expansion of the Company's business operations.

Paul Stephenson
Chairman

This announcement has been approved for release by the Board of Directors.

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

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