



ASX ANNOUNCEMENT

Distribution agreement - Jiangsu Jbingo International Trading

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ASX CODE: JAT

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SHAREHOLDER RELATIONS

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Highlights

- **Distribution agreement with Jiangsu Jbingo International Trading regarding Golden Koala and other products**
- **Important channel for sale of Golden Koala Infant Formula to leading Chinese maternal and baby products platforms**

JAT has entered into a distribution agreement with Jiangsu Jbingo International Co., Ltd (Jbingo). Under the agreement, Jbingo has agreed to distribute all of JAT's products, including the Golden Koala range of milk powders, through the Jbingo distribution platforms in territories in China selected by JAT for both online and offline sales.

Material terms of the agreement are as follows:

1. Jbingo will pay JAT for all products prior to release of the products to Jbingo.
2. Jbingo will be responsible for all logistic and associated costs.
3. The agreement is for an initial 24 months. Jbingo can extend the term by giving two months written notice before the end of the term. JAT and Jbingo will then commence negotiations in good faith to determine the terms and conditions of the agreement for the extended term.
4. There are no conditions precedent to the agreement.
5. The agreement does not give Jbingo exclusive access in China to any JAT products.

Jbingo is a major product distributor in China with bonded warehouses in Hangzhou Xiasha (near Shanghai) and Chongqing Xiyong (in central China) providing wide geographical coverage. Jbingo sells to leading Chinese B2B maternal and baby platforms such as Hipac, Seatent, Yuouhui, Qianfeng, Mainsweb and DDH, as well as some business-to-consumer platforms such as JD, VIP, Xiaohongshu and Taobao.

The Golden Koala range of milk powders is manufactured in Australia under contract for Golden Koala Group Pty Limited ("GK"). The acquisition of 51% of the GK was approved at the general meeting of JAT yesterday and the acquisition is expected to be completed within the next seven days.



Jbingo distributes products via its multiple B2B and B2C platforms. The Jbingo agreement will give JAT products access to different platforms through one distributor. (A platform is a website hosted by distributor targeting a specific market. For example, a specific B2B platform hosted by Jbingo may only permit access to purchase product by pharmacies and supermarkets).

The agreement with Jbingo allows JAT to sell a broad range of products to the China market through a number of different platforms which focus on specific products and markets through a single distributor. JAT is free to continue to sell products through other distributors.

As announced to the ASX on 22 March 2018, JAT is raising over \$5 million in convertible notes which will convert to shares, subject to approval of JAT shareholders. A large proportion of those funds will be used to acquire inventory to satisfy the expected orders from Jbingo and other distributors.

Anthony Crimmins
Executive Chairman

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