

ASX ANNOUNCEMENT

16 December 2020

Business Update

Jatcorp Limited (ASX: JAT) is pleased to announce new sales initiatives, a new product, expansion into South Korea and commencement of manufacturing in New Zealand.

Nightingale PS Pty Ltd (“Nightingale”)

JAT has entered into a 10 year sales agreement with Nightingale PS Pty Ltd, a Melbourne based company focused on placing goods with the major supermarket and pharmacy chains in Australia and the UK.

Under the agreement, Nightingale will use its networks to sell the current JAT products and all future products developed by JAT to its customers. Nightingale will receive a commission on revenues from sales by JAT.

Nightingale will focus initially on the sale of products to specific Australian supermarket chains, followed by sales to pharmacies. The next step is intended to be the expansion of the JAT sales network to Nightingale’s clients in the UK and to other markets outside China.

The agreement can be terminated by either party for breach of the agreement which has not been remedied after 10 working days notice. There are no conditions precedent.

A2 Ejiao Protein Powder

JAT has successfully developed the first A2 Ejiao Protein Powder.

Ejiao is a hard gel that can be dissolved in hot water or alcohol to be used in food or drink, or in beauty products such as face creams. Ejiao related products are sold extensively in China and south-east Asian countries and is believed by consumers to improve blood circulation with the result that it is beneficial to people with anaemia, low blood cell counts or reproductive problems.

The A2 Ejiao Protein Powder it is a special formula developed by JAT which organically combines the traditional Ejiao raw materials with modern A2 protein, which not only retains the traditional functions of Ejiao, but also adds A2 protein that promotes human health.

A2 Ejiao Protein Powder is being manufactured at JAT’s ANMA manufacturing plant in Melbourne which has been possible as a result of the expansion of the facilities and installation of new equipment. A2 Ejiao Protein Powder will be ready for the market by before Chinese New Year which commences in the second week of February 2021.

South Korea expansion

ANMA is approved by the South Korean regulatory authority, KFDA, for exporting its dairy based nutritional products into the Korean market. JAT has started to negotiate with Korean companies for export of JAT's Jinvigorate brand Diabetics Formula and other products into Korean market. The first order for samples of Jinvigorate Diabetics Formula has been placed by a Korean distributor for presenting to Korean pharmacies.

New Zealand Manufacture

JAT's Neuroio subsidiary has commenced manufacture of its Middle-Aged Goat Milk Power with Probiotics in New Zealand.

JAT Strategy

JAT is continuing with its strategy of:

1. Developing its own proprietary products;
2. Expanding its ANMA manufacturing facility;
3. Reducing risk by manufacturing products outside Australia. JAT products are now manufactured in New Zealand, Japan, Korea and China although Australia will remain the main production centre; and
4. Expand sales destinations so as not to be wholly reliant on the China market.

This announcement is authorised by JAT's Managing Director, Wilton Yao.

Wilton Yao
Managing Director
Ph: +61 3 9090 759

About Jatcorp Limited

Jatcorp Ltd (ASX: JAT) is a China-Australia trade specialist. The Company develops and markets a portfolio of in-house branded FMCGs, focusing on growth opportunities in dairy products.

JAT has positioned itself as a major player in the flourishing Australian consumer goods export industry, offering Chinese retail presence, online sales to Chinese consumers through offshore platforms, and high-volume wholesaling to daigou groups and other distribution channels.

JAT's extensive network of Chinese business affiliations is a substantial source of opportunities, both for the company and for its Australian business partners.