

## ASX ANNOUNCEMENT

23 December 2020

### New JAT China Subsidiary signs First Agreement

Jatcorp Limited (ASX: JAT) is pleased to announce key developments in its Chinese strategy and business.

#### Incorporation of JAT Chinese Subsidiary

As announced to the ASX on a number of occasions and most recently on 16 December 2020, JAT's strategy involves increasing the level of its operations based outside Australia and now manufactures its products in New Zealand, Japan, Korea and China.

As a key part of its China business development, JAT has established a wholly owned subsidiary in China, Hangzhou JAT Food Group Co., Ltd (**Hangzhou JAT**).

Hangzhou JAT will conduct JAT's business operations in China to the maximum extent possible, such as the plant-based meat production and sales. In order to fund the operations of Hangzhou JAT, equity investments will be sought from Chinese-based corporate investors who wish to obtain exposure to JAT's developing China business.

#### Hangzhou JAT agreement with Hangzhou Xiacheng State-owned Assets Investment Holding Co., Ltd.

Hangzhou JAT has entered a strategic cooperation agreement with a Chinese state-owned company, Hangzhou Xiacheng State-owned Asset Investment Holding Co.,Ltd (**Hangzhou Xiacheng**). Hangzhou Xiacheng was established in March 2001 and is owned by the People's government of Xiacheng District. It is mainly engaged in industrial investment, equity investment and government industrial fund management. The agreement sets out that Hangzhou Xiacheng will:

- provide services and support to Hangzhou JAT in the development of the plant-based meat and new nutritional foods;
- optimise the business environment and promote the upgrading and expansion of the industrial chain to create a favourable environment for Hangzhou JAT's business;
- assist Hangzhou JAT with approvals for the establishment of its business and to assist in the timely resolution of problems;
- assist Hangzhou JAT in dealing with the regulations of the "downtown area" of Xiacheng District to fully tap its potential and space.

Hangzhou JAT agrees to:

- establish a business in the "downtown area" and pay taxes;
- maintained a certain business scale and to grow its business every year.

The agreement also provides that Hangzhou is to consider an equity investment in a joint venture company with Hangzhou JAT. The amount and terms of the equity investment are subject to negotiation. JAT CEO Wilton Yao stated:

“JAT considers that a potential investment by a significant Chinese state-owned company directly into JAT’s Chinese business would be a significant boost to JAT’s China-based business strategy and development. JAT will vigorously pursue this initiative with Hangzhou Xiacheng and other Chinese corporates.”

### **JAT signs Sales Agency Agreement with Beijing Lulukuan Trading Co., Ltd**

JAT has entered into a Sales Agency Agreement with Beijing Lulukuan Trading Co., Ltd (**Beijing Lulukuan**) which is a Beijing-based trading company. Beijing Lulukuan has arranged for the supply of JAT’s products including Lone Milk and, Moroka into Wumart and Jingkelong Supermarket Chain.

Wumart Group is one of the biggest retailers in China and the largest supermarket chain in Beijing-Tianjin-Hebei area. With more than 1,000 Wumart stores in North, East and Northwest China, Wumart is opening further stores in the northeastern and southern regions of Beijing.

Beijing Jingkelong Supermarket Chain is a Chinese supermarket chain headquartered in Chaoyang District, Beijing. It operates hundreds of retail outlets, including hypermarkets, supermarkets, convenience stores and shopping centres in Beijing and in Langfang, Hebei. Jingkelong is a public listed company listed at Hong Kong Stock Exchange.

The term of the Sales Agency Agreement is five years, there are no minimum performance conditions. There are no conditions precedent and the agreement contains only the normal termination clauses for breach of conditions which are not remedied within a reasonable period.

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.