

## **ASX ANNOUNCEMENT**

28 June 2021

### **Changed Strategy for Plant Based Meat Products in China JAT dairy products win major Australian industry awards**

#### **A. Development of Plant Based Meat products in China**

Jatcorp Limited (ASX: JAT) is pleased to announce a major structural development in relation to its Plant Based Meat (PBM) business in China.

#### **Background**

Since 2020, JAT's strategy has been to:

- seek opportunities for it to produce its own in-house brands. By focusing on its own in-house brands, JAT is able to retain 100% of the profits from the sale of those brands.
- Manufacture its products in China rather than manufacturing in Australia and exporting to China. Manufacturing in China reduces the political and business risk of clearing Australian-made goods through the Chinese border.

In 2019, JAT and Oppenheimer Pty Ltd, established 50/50 joint venture company, JAT Oppenheimer Pty Ltd, which has successfully developed a range of PBM's and has been in the process of negotiating PBM production agreements with selected contract food manufacturers located in China.

On 10 December 2020, JAT announced to the ASX that it has entered into a Strategic Cooperation Agreement (the "agreement") with Aofu Trading Co., Ltd to produce PBM products in China. The agreement would allow JAT's PBM's to be produced in its key market of China rather than exporting from Australia.

#### **China production**

Over the last few months, JAT has conducted trials of its products with a number of plant-based meats product manufacturers in China. Those products have been very successfully received by major Chinese vegetarian restaurants, Western-style hotels and food retailers. As a result, JAT has chosen a non-exclusive contract manufacturer which is now in the process of arranging its production capability to be able to meet the demand from Chinese restaurants, hotels and supermarkets for JAT's PBM product range. The manufacturer will produce the products when ordered and at prices to be negotiated at the time of order. It is likely that as the JAT PBM product range increases, additional manufacturers will be utilised.

Aofu is assisting us in locating and managing contract manufacturers and will continue to assist us in China in dealing with the restaurants, products storage and marketing.

As JAT will produce its PBM products in China, JAT and Oppenheimer Pty Ltd have agreed to terminate the joint venture with immediate effect. However, it is expected that JAT and Oppenheimer will continue to work together on further development of the PBM products. The new arrangements in China mean that JAT's PBM business will be wholly-owned and the profits will be 100% retained within JAT.

## **B. JAT dairy products win major industry awards**

The Dairy Industry Association of Australia (**DIAA**), an industry association for people working in dairy product manufacturing and allied services, has announced that JAT's products have been awarded medals in the DIAA Excellence Awards 2021. The awards are:

Gold Medal	Ione Full Cream Milk Powder
Gold Medal	Ione Skim Milk Powder
Silver Medal	Jinvigorate Diabetic Formula
Silver Medal	Moroka Formulated Milk Powder with Lactoferrin

The DIAA Awards of Excellence is an annual celebration of the best in Australian dairy products. The DIAA competitions are based on the entries' technical merit and are judged by industry experts selected for their specific dairy product knowledge. JAT believes that the receipt of the DIAA awards recognises the excellence of the ANMA plant subsequent to its major upgrade completed in April 2021.

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

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Managing Director  
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### **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.