



BROO Limited

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4 January 2021

ASX Announcement Termination of Agreement with Beijing Jihua Information Consultant Ltd

Broo Limited (ASX: BEE) ('**Company**') advises that its' wholly owned subsidiary, Broo Exports Pty Ltd (**Broo Exports**) has today terminated the Distribution Agreement entered into with Beijing Jihua Information Consultant Ltd (**Beijing Jihua**).

In November 2017, Broo Exports entered into a Distribution Agreement with Beijing Jihua, granting them exclusive distribution rights in China of the Broo Premium Lager beer products (**Distribution Agreement**).

The Company considers that Beijing Jihua is in default of the Distribution Agreement for its failure to make payment to Broo Exports of minimum royalty payments payable in respect of the first 3-year period of the term of the Distribution Agreement and which became due and payable in December 2020.

The Company sent a letter to Beijing Jihua on 18 December 2020 advising them to remedy the default and make payment of the royalty payments owing within a period of 14 days from the date of such letter. Beijing Jihua has failed to make payment of the royalty payments that are payable to Broo Exports and has not remedied their breach of the Distribution Agreement within the requisite deadline.

Under the terms of the Distribution Agreement, Broo Exports has a right to terminate the Distribution Agreement for Beijing Jihua's failure to remedy a default within 14 days of notice. The Company has exercised this contractual termination right and notified Beijing Jihua today that it has terminated the Distribution Agreement with immediate effect.

The Company will be reviewing its legal position against Beijing Jihua arising from the termination of the Distribution Agreement and shall determine an appropriate course of action in the circumstances to enforce its legal rights.

The Company will update its shareholders on the status of such matter in due course.

Authorised by:
Kent Grogan
CEO

Further Information

For further information, please contact the Company on + 61 (3) 5984 2222.

About Broo Ltd

Broo Ltd is a unique Australian beer company that distinguishes itself from competitors through strong brands, company ethos, unique marketing platform and quality beer products. The Company is primarily focused on the production, marketing and sale of two beer products, Broo Premium Lager and Australia Draught.