



Market Announcement

20 March 2025

Jatcorp Limited (ASX: JAT) – Responses to ASX Letters

Attached for the information of the market are ASX's letters and JAT's responses between 20 February 2025 and 20 March 2025. These documents are presented in chronological order.

Issued by

ASX Compliance



20 February 2025

Reference: 106311

Mr Oliver Carton
Company Secretary
Jatcorp Limited
502/2 Bligh Street
Sydney NSW 2000

By email

Dear Mr Carton

Jatcorp Limited ('JAT'): ASX Aware Letter

ASX refers to the following:

- A. JAT's announcement titled "Quarterly Activities/Appendix 4C Cash Flow Report" (the 'Announcement') released on the ASX Market Announcements Platform ('MAP') on 31 January 2025 which disclosed (relevantly):
- i. *"Jatcorp has suspended sales of its Neurio® products in mainland China following an adverse ruling in the trademark dispute. This decision stems from a third party's alleged malicious registration of the Neurio® trademark, which appears designed to obstruct Jatcorp's distribution of the Neurio® brand in China. The Company is actively pursuing multiple legal avenues in China, Australia and New Zealand to protect its intellectual property, while minimising operational disruptions."* (the 'Information')
 - ii. The following financial impacts of the Information on JAT:
 - *"Revenue of \$4.68m from ongoing operations, down 57% on PCP, due to a reorder cancellation and a return of stock as a result of a trademark dispute in China"*
 - *Gross profit of \$1.09 million*, down 74% on PCP*
 - *Underlying EBITDA (excluding legal costs of approximately \$2m) was negative \$2.42 million, down \$3.19 million on PCP*
 - *Net operating cash flow was negative \$13,000, down \$159,000 on PCP"*
 - iii. In relation to related party payments:
"Stock paid to a related party of \$60k in line with standard marketing fee policy"
- B. The change in the price of JAT's securities from \$0.495 immediately prior to the release of the Announcement to a low of \$0.35 following the release of the Announcement, reflecting a decline of 29.3%
- C. The following announcements, concerning the appointment and ultimate resignation of Mr Jack Wang (JAT's former managing director), released on MAP on:
- i. 9 September 2022, which disclosed that Mr Wang had been appointed as Managing Director, earning total fixed remuneration of \$250k per year plus superannuation and subject to a 5 month termination notice by either JAT or Mr Wang. No other material terms or additional contracts were specified.

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- ii. 14 October 2022, which disclosed that Mr Wang would, in part, assume the CEO function of JAT until further notice. No additional details on a change in the terms of Mr Wang's employment contract, or other any other contracts, were disclosed.
- iii. 10 January 2023, which disclosed that JAT had decided to make the above change permanent, with no change to the previously announced terms of employment.
- iv. 8 January 2024, which disclosed the appointment of Mr Sunny Jianxin Liang as JAT's CEO, and that Mr Wang would remain in his current Managing Director role. No changes to Mr Wang's terms of employment were disclosed.
- v. 22 November 2024, which disclosed that Mr Wang had resigned from his position as Managing Director of JAT, effective immediately.
- D. JAT's Annual Report for the year ended 30 June 2024, released on MAP on 25 October 2024, which disclosed in the 'Other transactions with Key Management Personnel and their related parties' section that Pacific Healthy International Holding Pty Ltd, an entity associated with Mr Wang, received \$527,527 as payment for marketing services on normal commercial terms and at market rates (the 'Marketing Agreement').
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- G. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following 5 situations applies:*
- It would be a breach of a law to disclose the information;*
 - The information concerns an incomplete proposal or negotiation;*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - The information is generated for the internal management purposes of the entity; or*
 - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed."*
- I. Listing Rule 3.16.4 which states (relevantly):

*"If the entity is not an *externally managed trust, the material terms of any employment, service or consultancy agreement it or a *child entity enters into with:*

- *its *CEO;*
 - *any of its directors; or*
 - *any other person or entity who is a *related party of its *CEO or any of its directors,*
- and of any material variation to such an agreement."*

J. The concept of "confidentiality" detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks JAT to respond separately to each of the following questions:

1. Does JAT consider the Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to any part of question 1 is "no", please advise the basis for that view, commenting specifically on the impact of the Information on JAT's financial position and performance, and the 29.3% decline in the price of JAT's securities.
3. When did JAT first become aware of the Information?
4. If JAT first became aware of the Information before the date of the Announcement, did JAT make any announcement prior to that date which disclosed the Information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe JAT was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps JAT took to ensure that the Information was released promptly and without delay.
5. Please confirm whether JAT is of the view that it complied with Listing Rule 3.16.4 with respect to Mr Wang, specifically whether JAT disclosed the material terms of the Marketing Agreement. If JAT did make a disclosure concerning the Marketing Agreement, please identify where it did so. If JAT did not make such a disclosure, please explain why not, and provide the material terms in response to this question.
6. Noting that Mr Wang's initial employment contract included a 5-month notice period for termination, and it does not appear to have changed since, please explain whether JAT is of the view that it complied with Listing Rule 3.16.4, specifically in relation to the changing of the notice period to allow Mr Wang to resign effective immediately. If JAT did make a disclosure to this effect, please identify that disclosure. If JAT did not make such a disclosure, please explain why not.
7. Please confirm that JAT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that JAT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Wednesday, 26 February 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, JAT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require JAT to request a trading halt immediately if trading in JAT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on MAP.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in JAT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to JAT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that JAT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance

26 February 2025

Market Announcements Platform
ASX Limited

Price query

We refer to ASX's price query letter dated 20 February 2025, and respond as follows:

1. Does JAT consider the Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to any part of question 1 is "no", please advise the basis for that view, commenting specifically on the impact of the Information on JAT's financial position and performance, and the 29.3% decline in the price of JAT's securities.

- A. JAT notes that, although the JAT share price dropped by 29.3% in intra-day trading, the closing price on 31 January 2025 was \$0.43, a decline of 13.1%. Further, on 4 February 2025, two trading days later, the JAT share price hit a high of \$0.48 in intra day trading. The share price then recovered over the next week or so to its pre 31 January 2025 levels without any further announcements from JAT.
- B. JAT's opinion is that, while the market fell for a brief period as investors digested the information in the Announcement, once they had done so there was no material impact on the JAT share price.
- C. Relevantly, the Announcement contained the following information/statements:
 - a. JAT is rigorously contesting the Chinese Court ruling through appropriate judicial channels and has initiated parallel administrative proceedings to invalidate the disputed trademark registration;
 - b. JAT has continued the execution of its growth strategy by accelerating its efforts towards market and channel expansion for the Moroka® brand, and Neurio® in markets where its intellectual property ownership is undisputed;
 - c. JAT has developed new products ranges to increase sales;
 - d. The impacts experienced in the Half Year FY2025 were one-off in the form of return of stock and legal fees;
 - e. The following statement from the JAT CEO:
 - i. *"We remain committed to defending our position against alleged malicious attempts to disrupt our operations. Our success in the New South Wales Supreme Court last April demonstrates the strength of our legal position and the recognition of our intellectual property rights. We are fully committed to replicating this outcome in China through rigorous legal action, while continuing to deliver growth via our diversified portfolio."*
- D. JAT also refers to its announcement dated 19 January 2025 concerning a Sales Incentive Agreement, which demonstrated that JAT's confidence in continuing its growth strategy to offset lost sales is well placed.

3. When did JAT first become aware of the Information

On 24 January 2025, Chongqing Provincial High People's Court in China ruled against a JAT's distributor. JAT was first informed of the court ruling by its distributor on 28 January 2025. Prior to that, JAT was not formally notified of the decision and was not aware of its final implications. Upon receipt of this information, JAT conducted an internal assessment and then disclosed the matter in conjunction with its December 2024 Quarterly Report on 31 January 2025.

4. If JAT first became aware of the Information before the date of the Announcement, did JAT make any announcement prior to that date which disclosed the Information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe JAT was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps JAT took to ensure that the Information was released promptly and without delay.

JAT did not make any announcement before the date of the Announcement. For the reasons given in answer 2, JAT does not consider the information to be price sensitive, and therefore was not obliged to release it under Listing Rules 3.1 and 3.1A. In any event it released the information once it had conducted a review of the impacts, without undue delay.

5. Please confirm whether JAT is of the view that it complied with Listing Rule 3.16.4 with respect to Mr Wang, specifically whether JAT disclosed the material terms of the Marketing Agreement. If JAT did make a disclosure concerning the Marketing Agreement, please identify where it did so. If JAT did not make such a disclosure, please explain why not, and provide the material terms in response to this question.

The Marketing Agreement with Mr Wang was made under normal commercial terms for standard promotional and marketing activities of a distributor. Payments to Mr Wang are not related to his position as a director, and are not included in the audited Remuneration Report section of the Annual Report. They are however related party transactions, and the arrangement was conducted at arm's length, at market rates, and fully disclosed in the Related party Note for the 2022, 2023 and 2024 Annual Reports. That note sets out the amounts received and paid to and by the entity controlled by Mr Wang, which JAT considers are the material terms of the agreement.

6. Noting that Mr Wang's initial employment contract included a 5-month notice period for termination, and it does not appear to have changed since, please explain whether JAT is of the view that it complied with Listing Rule 3.16.4, specifically in relation to the changing of the notice period to allow Mr Wang to resign effective immediately. If JAT did make a disclosure to this effect, please identify that disclosure. If JAT did not make such a disclosure, please explain why not.

JAT is of the view that it complied with Listing Rule 3.16.4. Mr. Wang voluntarily resigned as Managing Director on 22 November 2024 for personal reasons. This was a unilateral decision made by Mr. Wang and not initiated by the Company. It did not make a disclosure concerning a change to the notice period of Mr Wang's employment contract as no change occurred. Mr Wang and JAT agreed at the time that it was in the best interests of both parties that he cease as Managing Director, and JAT decided not to enforce its right to a 5 month notice

period. This was communicated to the market at that time by specifically stating the at Mr Wang would cease to be Managing Director effective immediately.

4. Please confirm that JAT is complying with the Listing Rules and, in particular, Listing Rule 3.1.

So confirmed.

5. Please confirm that JAT's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

So confirmed.

A handwritten signature in dark ink, appearing to read 'Ol. Carton', with a stylized flourish at the end.

Oliver Carton
Company secretary
Ph: +61 02 8098 0232



3 March 2025

Reference: 106311

Mr Oliver Carton
Company Secretary
Jatcorp Limited
502/2 Bligh Street
Sydney NSW2000

By email

Dear Mr Carton

Jatcorp Limited ('JAT'): ASX Aware Letter

ASX refers to JAT's response dated 26 February 2025 titled 'Price Query' (the 'JAT Response') to ASX's query letter dated 20 February 2025 (the 'ASX Letter'). For the avoidance of doubt, the ASX Letter was not a 'Price Query' letter, and was instead an 'ASX Aware Letter'. Capitalised terms in this letter have the same meaning as those defined in the ASX Letter and the JAT Response.

Request for information

Having regard to the above, ASX asks JAT to respond separately to each of the following questions:

1. Question 2 of the ASX Letter asked JAT to explain the basis for its view that the Information was not material, with specific reference to the impact of the Information on JAT's financial position and the market price for its securities. JAT only appears to have responded with submissions concerning the market price of its securities.

Does JAT maintain its position that the suspension of sales of one of its products, leading to a decrease in revenue of 57% on PCP, is not information which a reasonable person would expect to have a material effect on the price or value of JAT's securities? If so, please explain the basis for that view.

2. The Announcement provided commentary for the quarter ended 31 December 2024, specifically:

"Revenue of \$4.68m from ongoing operations, down 57% on PCP, due to a reorder cancellation and a return of stock as a result of a trademark dispute in China."

However, the JAT Response stated:

"On 24 January 2025, Chongqing Provincial High People's Court in China ruled against a JAT's distributor. JAT was first informed of the court ruling by its distributor on 28 January 2025. Prior to that, JAT was not formally notified of the decision and was not aware of its final implications. Upon receipt of this information, JAT conducted an internal assessment and then disclosed the matter in conjunction with its December 2024 Quarterly Report on 31 January 2025."

It appears to ASX that JAT's position is that it was not 'formally' aware of the reason why its revenue had decreased for the quarter ended 31 December 2024 until 28 January 2025.

Please explain:

- when JAT first became aware of the trademark dispute, informally or otherwise;
- whether the notification of the trademark dispute included orders to suspend sales of Neurio products in mainland China; and

-
- when the suspension of sales of Neurio products in mainland China took effect.
3. Please explain when JAT first became aware that its revenue was underperforming against the PCP.
 4. If JAT was aware of the reason for the decrease in revenue for the quarter at a time earlier than 28 January 2025, please explain:
 - why JAT considers it complied with Listing Rule 3.1 by first disclosing it on 31 January 2025, given the already apparent financial impact on JAT; and
 - why JAT appears to only have considered the formal notification of the decision to be material, given the already apparent financial impact on JAT.
 5. If JAT was unaware of the reason for the decrease in revenue for the quarter until 28 January 2025, is JAT of the view that it has adequate processes, policies and procedures in place to comply with its Listing Rule 3.1 obligations? If so, please explain the basis for that view.
 6. JAT appears to indicate that it complied with Listing Rule 3.16.4 concerning the disclosure of the 'material terms' of the Marketing Agreement because *"the arrangement was conducted at arm's length, at market rates, and fully disclosed in the Related party Note for the 2022, 2023 and 2024 Annual Reports"*. ASX does not consider this to be adequate disclosure of the material terms for the purposes of Listing Rule 3.16.4. Please provide the material terms of the Marketing Agreement, including:
 - how the payments to the related party were calculated;
 - the term of the agreement;
 - any applicable termination clauses; and
 - any other terms which may influence the amount paid to the related party under the agreement.
 7. Please confirm that JAT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AMAEDT Thursday, 6 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, JAT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require JAT to request a trading halt immediately if trading in JAT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in JAT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to JAT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that JAT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance

6 March 2025

Market Announcements Platform
ASX Limited

Price query

We refer to ASX's price query letter dated 20 February 2025, and respond as follows:

1. Question 2 of the ASX Letter asked JAT to explain the basis for its view that the Information was not material, with specific reference to the impact of the Information on JAT's financial position and the market price for its securities. JAT only appears to have responded with submissions concerning the market price of its securities.

Does JAT maintain its position that the suspension of sales of one of its products, leading to a decrease in revenue of 57% on PCP, is not information which a reasonable person would expect to have a material effect on the price or value of JAT's securities? If so, please explain the basis for that view.

JAT respectfully disagrees with ASX's assertion that it only appears to have responded with submissions concerning the market price of JAT securities. That submission was dealt with in paragraphs A and B to the response. Paragraphs C and D went on to explain JAT's position, namely that the statements in the Announcement concerning the suspension of sales (which JAT set out in detail) would lead a reasonable person who usually invests in securities not to expect there to be a material effect on the price of JAT's securities.

JAT included the information concerning the market price of its securities as, given during the course of trading on the day of the Announcement and within a few trading days afterwards the JAT share price recovered to pre-Announcement levels without any further announcements, the market agreed with JAT's position.

JAT also refers to its answer to question 4 of the ASX Letter, where it stated in any event JAT released the information once it had conducted a review of the impacts, without undue delay.

2 The Announcement provided commentary for the quarter ended 31 December 2024, specifically:

"Revenue of \$4.68m from ongoing operations, down 57% on PCP, due to a reorder cancellation and a return of stock as a result of a trademark dispute in China."

However, the JAT Response stated:

"On 24 January 2025, Chongqing Provincial High People's Court in China ruled against a JAT's distributor. JAT was first informed of the court ruling by its distributor on 28 January 2025. Prior to that, JAT was not formally notified of the decision and was not aware of its final implications. Upon receipt of this information, JAT conducted an internal assessment and then disclosed the matter in conjunction with its December 2024 Quarterly Report on 31 January 2025."

It appears to ASX that JAT's position is that it was not 'formally' aware of the reason why its revenue had decreased for the quarter ended 31 December 2024 until 28 January 2025.

Please explain:

-
- ***when JAT first became aware of the trademark dispute, informally or otherwise;***
- ***whether the notification of the trademark dispute included orders to suspend sales of Neurio products in mainland China; and***
- ***when the suspension of sales of Neurio products in mainland China took effect.***

The “trademark dispute” relates to ongoing legal disputes between JAT and two former directors of Sunnya, He and Lu, and their affiliated Chinese companies — Guangzhou Niurui Trade Ltd and Guangzhou Aotea Biotech Ltd. This dispute has been ongoing for a number of years.

JAT has been successful at first instance at the Supreme Court of NSW (which confirmed Sunnya owns the Neurio trademark in both Australia and New Zealand and these defendants are restrained from manufacturing or causing to manufactured Neurio products, as well as finding both He and Lu and other defendants seriously breached directors’ duties. Some legal points are subject to appeal however, while in China, Guangzhou Aotea Biotech Ltd holds the trademark for Neurio, and used this to its advantage to commence legal proceedings against JAT’s distributors of Neurio products. JAT has advised the market concerning these disputes.

As stated China Guangzhou Aotea Biotech Ltd has commenced proceedings against JAT’s distributors to stop them from selling Neurio products, and has obtained a judgement against a distributor in an appeal to the Chongqing High Court to this effect, from a first instance judgement in favour of the distributor. Also, JAT has filed an application to the China National Intellectual Property Administration (CNIPA) to invalidate trademarks held by Guangzhou Aotea Biotech Ltd. .

JAT paused new shipments of Neurio products to its impacted China distributors in late October 2024 as a precautionary measure while it assessed its strategy for Neurio and alternate sales channels not into mainland China. The suspension of sales in China was formal after the decision against JAT’s distributor by the Chongqing High Court on 24 January 2025, and as explained, at that time JAT’s distributor advised JAT of the decision and requested the return of products to JAT. Those products have not been written off, and are available to be sold through alternative channels.

As JAT is not a party to legal proceedings in China there are no formal orders against it.

3. Please explain when JAT first became aware that its revenue was underperforming against the PCP.

Once JAT had received notification of the Chongqing High Court decision and request for return of product, and assessed the financial impact of that return, being a reversal of \$2.6m in revenue booked in Q2 FY2025. JAT notes that this action was subsequently confirmed as an appropriate treatment during the half year review by JAT’s auditors

4. If JAT was aware of the reason for the decrease in revenue for the quarter at a time earlier than 28 January 2025, please explain:

- **why JAT considers it complied with Listing Rule 3.1 by first disclosing it on 31 January 2025, given the already apparent financial impact on JAT; and**
- **why JAT appears to only have considered the formal notification of the decision to be material, given the already apparent financial impact on JAT.**

Not applicable.

5. If JAT was unaware of the reason for the decrease in revenue for the quarter until 28 January 2025, is JAT of the view that it has adequate processes, policies and procedures in place to comply with its Listing Rule 3.1 obligations? If so, please explain the basis for that view.

This question assumes that the decrease in revenue necessarily gives rise to a requirement under Listing Rule 3.1 to announce the decrease. JAT respectfully disagrees with that assumption, for the reasons stated above and in the JAT Response. JAT considers it has adequate processes, policies and procedures in place to comply with its Listing Rule 3.1 obligations and considers it has done so in this matter.

6. JAT appears to indicate that it complied with Listing Rule 3.16.4 concerning the disclosure of the ‘material terms’ of the Marketing Agreement because “the arrangement was conducted at arm’s length, at market rates, and fully disclosed in the Related party Note for the 2022, 2023 and 2024 Annual Reports”. ASX does not consider this to be adequate disclosure of the material terms for the purposes of Listing Rule 3.16.4. Please provide the material terms of the Marketing Agreement, including:

- **how the payments to the related party were calculated;**
- **the term of the agreement;**
- **any applicable termination clauses; and**
- **any other terms which may influence the amount paid to the related party under the agreement.**

The Marketing Agreement with the company associated with the former director Mr Wang is a non-exclusive distributor agreement whereby that company purchases JAT products at wholesale prices, and receives a marketing support payment in the form of a Trade Promotional Expense (TPE). JAT notes:

- The wholesale price paid by distributors is the same for all distributors;
- The Marketing Agreement was in place before Mr Wang became a related party to JAT, and was therefore on arms length terms by definition as he was then at arms length;
- The TPE is very common for FMCG producers and is paid as an incentive for distributors to allocated resource to promote and distribute the brand owners’ product;
- The amount of the TPE varies from distributor to distributor, and for each distributor from quarter to quarter, depending on factors such as the amount of product bought, the proposed promotional and marketing activities to be undertaken, and the market

into which product is sold. Typically for JAT, TPE varies between about 15% of value of product sold and 45% of value of product sold.

For the related party, in line with arrangements with other distributors, the amount of TPE is negotiated quarterly. A summary of amounts purchased by the related party and TPE given are:

1. FY23: Purchased value: \$2,376,814. TPE: \$271,121 (11%)
2. FY 24: Purchase value: \$3,223,112 TPE: \$527,527 (16%)

There is no term to the Marketing Agreement, it is ongoing from quarter to quarter. The Marketing Agreement can be terminated by either party at any time. There is no requirement for JAT to supply a minimum amount of product to the related party, or for the related party to purchase a minimum amount from JAT.

There are no other material terms of the Marketing Agreement.

7. Please confirm that JAT's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

So confirmed.

Approved for release by the Jatcorp Limited Board



17 March 2025

Reference: 106311

Mr Oliver Carton
Company Secretary
Jatcorp Limited
502/2 Bligh Street
Sydney NSW 2000

By email

Dear Mr Carton

Jatcorp Limited ('JAT'): ASX Aware Letter

ASX refers to JAT's response dated 6 March 2025 titled "Price query" (the 'Second JAT Response') to ASX's further query letter dated 3 March 2025 (the 'Second ASX Letter'). Capitalised terms in this letter have the same meaning as those defined in the Second ASX Letter and Second JAT Response.

ASX once again reiterates that the Second ASX Letter was not a 'price query', despite JAT's chosen title in the JAT Response.

Request for information

Having regard to the above, ASX asks JAT to respond separately to each of the following questions:

1. JAT stated in the Second JAT Response (relevantly):

"JAT paused new shipments of Neurio products to its impacted China distributors in late October 2024 as a precautionary measure while it assessed its strategy for Neurio and alternate sales channels not into mainland China..."

"Paragraphs C and D [of the JAT Response] went on to explain JAT's position, namely that the statements in the Announcement concerning the suspension of sales (which JAT set out in detail) would lead a reasonable person who usually invests in securities not to expect there to be a material effect on the price of JAT's securities."

Paragraphs C and D of the JAT Response referred to statements made in its announcements dated 19 and 31 January 2025, which is why ASX did not consider them relevant to JAT's decision on materiality of suspending sales in "late October 2024".

- 1.1 Please confirm the exact date on which JAT paused new shipments of Neurio products to its impacted China distributors. If JAT is unable to provide an answer more specific than "late October 2024", please explain why not.
- 1.2 Please explain, based solely on the information available to JAT in late October 2024, why JAT did not consider the pausing of new shipments to be material for the purposes of Listing Rule 3.1 at that time.
2. Please confirm that JAT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Thursday, 20 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, JAT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require JAT to request a trading halt immediately if trading in JAT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in JAT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to JAT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that JAT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply, and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance

20 March 2025

Market Announcements Platform
ASX Limited

Price query

We refer to ASX's price query letter dated 17 March 2025, and respond as follows:

1.1 Please confirm the exact date on which JAT paused new shipments of Neurio products to its impacted China distributors. If JAT is unable to provide an answer more specific than "late October 2024", please explain why not.

28 October 2024.

1.2 Please explain, based solely on the information available to JAT in late October 2024, why JAT did not consider the pausing of new shipments to be material for the purposes of Listing Rule 3.1 at that time.

JAT considered the pausing of shipments to be a cautious but prudent measure at that time due to a number of factors, being:

- A. The Trademark Dispute referred to in earlier responses involves a large number of legal proceedings in Australia, New Zealand and China.
- B. While JAT has been generally successful in proceedings, it became aware on or about 24 October 2024 that a distributor in the Fujian province of China had lost an appeal of an earlier decision in its favour brought by China Guangzhou Aotea Biotech Ltd.
- C. JAT did not consider this to be a material development as:
 - a. the distributor was a small distributor of JAT products, and last contacted JAT for product on 26 June 2024. There would therefore be little impact on JAT sales in China;
 - b. Sales in other parts of China could and did continue;
 - c. Other legal decisions had gone in favour of JAT.
- D. JAT did however consider overall market conditions and was and remains confident it would find alternate markets for its products in Australia. It also considered there was sufficient product in China to meet demand in the short to medium term. It therefore decided to pause further shipments into China so as not to potentially incur shipping and other administrative costs of product returns in the unlikely event that its distributors lost further cases in China;
- E. For the reasons given in the Announcement, JAT was at that time, and remains, confident that its strategies would offset lost sales, and that it will successfully pursue legal avenues to assert control over its trademarks.
- F. JAT also notes that in October 2024 it had not received the request for return of product or decided to reverse booked revenue of \$2.6m as outlined in earlier responses.
- G. While JAT takes ASX's point concerning relevance of discussion around its share price performance, JAT notes that at the time the Announcement was made and information concerning the Trademark Dispute was released to ASX (with in addition

information concerning the return of product and reversal of booked revenue), the impact on JAT's share price was in JAT's opinion not material.

JAT therefore did not consider the pausing of new shipments, or any of the relevant matters referred to above, to be material for the purposes of Listing Rule 3.1 at that time.

2. Please confirm that JAT's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of JAT with delegated authority from the board to respond to ASX on disclosure matters.

So confirmed.

Approved for release by the Jatcorp Limited Board