

13 August 2021

ASX ANNOUNCEMENT

JAT Products to be Sold Exclusively on China's JD.COM Platform

Jatcorp Limited (ASX: JAT) is delighted to announce an important distribution agreement to sell JAT's key dairy products for a period of three years on the JD.COM platform, China's second largest e-commerce platform.

The distribution agreement (**Agreement**) has been entered into with Shanghai Aoyou Trade Co., Ltd. Under the Agreement, Shanghai Aoyou has been granted the exclusive on-line rights for the distribution on the JD.COM platform for a selection of JAT's key dairy products for a period of three years. In turn, Shanghai Aoyou has a supply agreement with JD.COM to supply the JAT key dairy products to JD.COM on an exclusive basis.

The JAT products subject of the Agreement are:

- Moroka Formulated Milk Powder with Lactoferrin (150g can);
- Lone Full Cream Milk Powders (1kg and 300gm);
- Lone Skim Milk Powders (1kg and 300gm); and
- Moroka Platinum Formulated Milk Powder with Lactoferrin (120g). This product is one of the five formulations included in The University of Sydney research project announced to the ASX on 17 May 2021. The research project showed that this product demonstrated promising antiviral activity against the SARS-CoV-2 virus in an in vitro assay.

The Agreement requires Shanghai Aoyou to work with JD.COM to arrange the promotion through the JD.COM platform, social media influencers and live-broadcasting platforms, to promote the above Moroka and Lone dairy products.

Shanghai Aoyou is based in Shanghai and specialises in importing high quality food, daily necessities and pet food from Australia, New Zealand and other countries. Shanghai Aoyou is the major distributor for Woolworths in-house brand products in China and imports more than 60 Woolworths products into the Chinese market. Other than JD.COM, Shanghai Aoyou is also a business partner with other major Chinese supermarkets and specialty import retailers such as Fresh Hema, 7 Fresh, City Shop, Apita, Ole Supermarket and Huijin Supermarket.

The material terms of the Agreement in addition to that described above are:

- Other than an exclusive right on JD.COM, JAT also provides Shanghai Aoyou with the non-exclusive rights to distribute the Moroka and Lone Milk products through off-line channels in China.
- The initial term of the agreement is 36 months. Shanghai Aoyou may seek to extend the term by giving two months written notice before the end of the term in which case the parties will commence negotiations in good faith.
- JAT will be paid in full on 60-day terms.
- There are no conditions precedent.

About JD

JD is China's largest retailer by revenue, with over 266 million annual active users. JD can also claim the largest fulfilment infrastructure of any e-commerce company in China with seven fulfilment centres and more than 400 warehouses covering 2,830 counties and districts.

JAT Managing Director, Wilton Yao, stated:

“We are extremely thrilled and elated with this important milestone. JD.COM is now a fantastic platform in order to expand the reach of JAT dairy products through its symbolic E-Commerce platform leveraging approximately 500 million active customers”.

“Since last year, the COVID-19 pandemic and lockdown have deeply impacted the conventional retail sales channels. However, online sales have increased strikingly which have never been more evident since last year. This arrangement with Shanghai Aoyou and JD.COM will provide JAT products extensive market presence and increase our reach in China, which we expect to trigger significant revenue for JAT”.

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

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About Jatcorp Limited

Jatcorp (ASX: JAT), at the forefront of innovative technology servicing the world's largest retail markets. With a track record of successful product development and distinguished technology. JAT is a leading producer of supplementary food products and plant-based meat.