

ASX ANNOUNCEMENT

23 June 2020

New product launches across JAT's health and wellness range

Highlights

- **JAT has launched and achieved first sales of Nature's Drops, a Manuka honey, eucalyptus and lemon flavoured candy which JAT believes works to clear congestion, make breathing easier and deliver broader health benefits**
- **The first batch of JAT's new Abbeyard branded dairy products has arrived in China fully presold, representing strong early delivery ahead of major distribution partner Hipac's plans to order \$4.8 million worth of Abbeyard products in the first year from launch**
- **JAT is expanding production of Australia's first camel milk powders fortified with lactoferrin, has developed three new Neurio formulations to deliver specific pediatric health benefits, and has acquired a new office in Western Sydney for \$1.28 million to support the Company's growth plans**

Health and wellness consumer goods developer and manufacturer, Jatcorp Limited (ASX: JAT, "the Company") is pleased to provide an update on its development of new products and continued growth in its operations.

Strategy Execution

In the announcement to the ASX on 8 May 2020, JAT highlighted the strategy it has implementing over the last two years of developing its own products to sell into its China distribution network. This strategy allows JAT to secure the manufacturer's margin on each product which it could not achieve by distributing third-party products. The establishment of the Abbeyard brand as announced to the ASX on 8 May 2020 was a part of this strategy.

Set out below are details of new products developed and released as part of this strategy.

New functional wellness product launched: Nature's Drops

JAT is pleased to advise that it has developed, launched and achieved first sales of Nature's Drops, a new product under JAT's Hopefern brand.

Nature's Drops are a unique, Manuka honey, eucalyptus and lemon flavoured candy. They dissolve slowly in the mouth with a unique recipe which JAT believes can soothe sore throats and refresh the breath.

JAT has identified a broad target market for Nature's Drops, including anybody aged 15 to 55 who seeks a natural remedy for respiratory ailments or fresher breath. No regulatory approvals required to sell Nature's Drops in China.

JAT has received a strong early response to Nature's Drops from mainland Chinese consumers targeted in two promotions where samples of the product were delivered former challenge through the Taobao cross-border sales platform. First sales amounting to around A\$2,000 have been achieved through selected pharmacies and Daigou stores. JAT is currently negotiating broader distribution of Nature's Drops through supermarkets, pharmacies and retail stores.



Abbeyard first batch fully presold in China

JAT has successfully commenced the rollout of its new Abbeyard branded dairy products, the development of which was first announced to the ASX on 8 May 2020. The Company has exported its first batch of 9 pallets of Abbeyard A2 protein children's milk powder to China via air freight, where they will be distributed by JAT's major partner Hipac, which operates China's largest B2B e-commerce platform for mother and baby care products. This batch was presold before it arrived in China. A second batch will be shipped to Hipac in China this week. The total revenue from the sale of both batches is \$231,108. Both batches have been produced at JAT's ANMA manufacturing facility in Melbourne.



The production and sale of both batches is a promising start to achieving the target of \$4.8 million in JAT products to be ordered by Hipac in the first 12 months of the relationship.

Ongoing product innovation and asset base strengthening

JAT continues to develop and rapidly commercialise innovative new dairy products to meet consumers' needs. As announced to the ASX on 8 May 2020, JAT has successfully launched Australia's first camel milk powders fortified with lactoferrin. This month, JAT will expand its production of two such formulated powders at its ANMA manufacturing facility in Melbourne. JAT continues to receive favourable customer feedback on its camel milk powder products.

JAT has recently developed three new product formulations within its Neuroio range of milk powders with lactoferrin. JAT expects these improved formulations to better meet the market demand for Neuroio products through a renewed focus on children's intestinal health, brain development and immune system support.

To support the Company's growth plans for Neuroio, JAT subsidiary Sunnya Pty Ltd has recently agreed to purchase an office suite within a commercial hub in Bella Vista, Western Sydney. The cost of the suite, which was \$1.28 million, will be met from Sunnya cash flow with no borrowings required and settlement is expected by 29 June 2020. The new facility strengthens JAT's asset base and allows for smoother logistics as distribution ramps up across JAT's product suite.

About Nature's Drops

Manuka honey has powerful clinically proven therapeutic value. The complex honey is highly regarded for the evidence which supports its effects on gastrointestinal health, its utility as a natural wound treatment and its antiviral and antibacterial properties. This makes Manuka honey a go-to 'germ fighter' in this age of growing resistance to conventional antibiotics. Eucalyptus oil complements Manuka honey in Nature's Drops by relieving nasal and chest congestion while fighting the germs that cause bad breath.

This announcement has been authorised for release to the ASX by Managing Director, Wilton Yao.

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About Jatenergy Limited

Jatenergy 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.