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ASX ANNOUNCEMENT

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Green Forest distribution agreement with Sinopharm to supply their online-to-offline (O2O) store rollout

- Sinopharm is of the world's biggest pharmaceutical companies with over 5,000 stores across China
- Green Forest to supply Sinopharm's O2O sales channel from its Australian product range.
- O2O allows Chinese consumers to receive Green Forest products by home delivery from a cross-border bonded warehouse or direct from Australia.

Agreement

50% owned JAT subsidiary Green Forest International Pty Ltd has entered into an agreement to supply China National Pharmaceutical Group Corporation (Sinopharm) from its Australian product range. The range includes vitamins, cosmetics, dairy products and a range of other health related consumer goods.

About Sinopharm

Sinopharm is the largest Chinese medical and healthcare group directly managed by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). It ranks 194th in Fortune's 2018 Global 500 and is the sixth biggest pharmaceutical company on the list with annual revenue in 2017 of USD 51.8 billion.

O2O sales channel

Sinopharm is establishing a new online-to-offline ("O2O") sales channel for its 5,000 plus retail stores across China, including it's the GuoDa Pharmacies operated by Sinopharm Holding GuoDa Drugstore Co., Ltd. GuoDa is a national pharmacy chain operating more than 3,800 retail pharmacies in over 70 Chinese cities. Green Forest will supply Australian consumer goods to Sinopharm for sale through the O2O sales channel.

O2O shopping is increasingly popular in China, allowing consumers to familiarise themselves with products in their local retail store, which are not available through domestic distribution channels, then scan the product's QR code to make the purchase and order home delivery.

"O2O is a large and growing part of China's retail landscape and we are delighted to be part of Sinopharm's national O2O rollout," Executive Director Wilton Yao said. "This is a great opportunity for JAT and for the brands we represent."



Material terms

The material terms of the agreement include:

1. The agreement has a term of one year commencing on 10 September 2018.
2. Sinopharm is prohibited from purchasing from third parties any brands which are sold by Green Forest.
3. Sinopharm will make payment for the goods within 15 days of receipt of the products and required documentation.
4. All orders are denominated in A\$.

The agreement does not provide for any minimum quantities or conditions precedent.

Wilton Yao
Executive Director