

11 November 2020

ASX ANNOUNCEMENT

Strategic Cooperation Framework Agreement with Lanzhou New Area Huida Commerce Co., Ltd

Jatcorp Limited has entered into a Strategic Cooperation Framework Agreement (**Agreement**) with Lanzhou New Area Huida Commerce Co., Ltd (**LNAHC**).

LNAHC is subsidiary of Lanzhou New Area Commerce Trade and Logistics Investment Group Co., Ltd., which is a wholly state-owned company. The group is mainly responsible for the operation and management of Lanzhou New Area Railway, Lanzhou New Area Trade Zone, designated supervision site for imported meat etc. At present, relying on the port platform operated and managed by the group company, LNAHC is engaged in the import and export trade of building materials, mineral raw materials, non-ferrous metals, agricultural products and meat products.

The Agreement recites that the Agreement creates a strategic partnership for the import of Australia's beef and mutton so as to reduce operating costs, integrate resources, enhance market competitiveness and create greater business value.

Under the Agreement, JAT will source and supply beef and mutton products and LNAHC shall use the existing sales channels to promote JAT's beef and mutton products to the northwest of China. With the deepening of cooperation, both parties intend to expand the domestic beef and mutton import market and expand the scale of beef and mutton trade by building a stable and diversified international trade chain system, expand trade business from unilateral import to import and export.

The Agreement provides that LNAHC plans to purchase 50 x 40' containers of Australian beef and mutton from JAT in the first 12 months of the Agreement. The method of payment by LNAHC will be by sight letter of credit.

The agreement commenced on 10 November 2020 and expires on 31 December 2021. There are no conditions precedent and no specific termination clauses.

JAT's product and business development strategy

The entering of the agreement with LNAHC was possible as a result of the work done by JAT over the last year in developing relationships with four abattoirs and meat processing plants in order to be able to source product for Chinese buyers. JAT has also employed personnel with experience in sourcing and trading meat and other products.

As set out in recent quarterly activity statements announced to the ASX, JAT is developing its FMCG business selling goods to China which include dairy products, health supplements, cosmetics and plant-based meat products. The LNAHC opportunity has arisen as a result of the expansion of JAT's contacts in China and the growing ability of its personnel in Australia to source and trade FMCG with China.

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

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