

ASX RELEASE
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Establishment of plant-based meat manufacturing and supply business.

On 29 October 2019, Jatenergy Ltd announced an agreement with Sydney-based Oppenheimer Pty Ltd to develop a range of plant-based meats to be sold into the China and other Asian markets.

JAT and Oppenheimer have now established a company, JAT Oppenheimer Pty Ltd, to carry on the new business. A shareholders' agreement between the parties has been entered into today, the material terms of which are:

1. JAT Oppenheimer Pty Ltd is owned 50/50 between the parties.
2. Oppenheimer will provide a licence to JAT Oppenheimer Pty Ltd to use Oppenheimer's intellectual property for the development and sale of plant-based meat substitute products worldwide. All IP developed in the course of the business will be owned by JAT Oppenheimer Pty Ltd.
3. JAT Oppenheimer Pty Ltd will enter into an exclusive supply and manufacturing agreement with Oppenheimer for the manufacture and supply of the products.
4. JAT will provide its expertise, know-how and networks to promote and sell the products worldwide through various distributors and e-commerce platforms.
5. There is no termination date for the agreement.
6. Wilton Yao of JAT has been appointed chairman. Jignesh Shah of Oppenheimer Pty Ltd will be the managing director and will be responsible for the day-to-day operations.
7. JAT will fund initial expenses such as sample making, small scale production, marketing and other start-up costs up to a maximum amount of \$200,000 for the first 12 months.
8. Oppenheimer will fund the costs of innovation, science and human resources for product development for the first 12 months.
9. The company will contract the manufacture of the products to Oppenheimer.
10. JAT will promote and arrange for the distribution by the company of the products in China and other Asian countries.
11. There are no conditions precedent in the agreement and the agreement contains the normal termination clauses expected in a commercial agreement of this kind.

Significant progress has been made in developing the business as follows:

1. JAT introduced the plant-based meat project at the second China International Import Expo ("CIIE") in Shanghai last week. The project received high exposure on a number of Chinese media outlets including TV during the CIIE.
2. The first three products to be produced are beef meatballs, pork meatballs and burger patties. The design of packaging for each of the products is nearing completion and orders for the packaging will be made shortly. As soon as the packaging is received, sales of the products will commence. Sales are therefore expected to commence in January/February 2020.
3. The products will be marketed under the "VMeat" tradename. A trade mark has been registered, a copy of which follows:

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4. The beef meatballs have already been successfully introduced to a large restaurant chain in China.
5. Discussions have commenced with local supermarkets and other food retailers for distribution of the products in Australia.

Jatenergy CEO, Wilton Yao, stated:

“The interest generated for our range of plant-based meats presented to potential buyers at the CIIE was very significant and JAT believes there is a very strong market for the products in China. Potential distributors believed that the timing and opportunity for the sale of our plant-based meat is enhanced as a result of the shortage of pork meat in China as a result of the African swine flu. Our partner in this business, Oppenheimer Pty Ltd, have shown their ability in being able to produce a top-class product which is being currently used in restaurants.

We expect that this business will be able to be developed very quickly and will produce revenue in the current financial year.”

Wilton Yao
Managing Director

About Jatenergy Limited

Jatenergy Ltd (ASX: JAT) is an Australian manufacturer and 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.

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