



SYDNEY, 31 May 2025 — Over the past two years, Jatcorp Ltd (ASX: JAT), a well-known Australian cross-border nutrition company, has undergone a profound transformation. Since the establishment of its new Board in September 2022, the company has systematically rebuilt its governance framework, revitalized its core assets, and significantly strengthened its brand influence. With notable achievements across key operational areas, JAT is now entering a new phase of sustainable, high-quality development—progressing with both prudence and resolve.

Restoring Order and Accountability Through Legal Action

Immediately following the JAT's Board transition, a full internal review identified serious governance failures and key management misconduct within the subsidiary Sunnya Pty Ltd. Investigations revealed that Mr. He Yinghan and Ms. Lu Yanxia, who jointly held 49% equity through a family trust, had exerted effective control and unlawfully redirected substantial profits through underpriced transactions to their China-based affiliate, Guangzhou Aotea Biological Technology Co. Ltd. over the past couple of years.

The new Board has responded swiftly. In October 2022, JAT met with the couple and insisted on full compliance with legal standards, proposing JAT-appointed directors to join Sunnya's board. Upon their refusal, JAT exercised its rights under corporate law to convene a shareholder meeting by sending a formal meeting notice to Mr He and Ms Lu.

Soon after, ANZ Bank alerted JAT of an attempted unauthorized transfer of AUD 950,000 from SUNNYA's accounts, which was promptly blocked. It also emerged that the 'Neurio' trademarks had been illicitly transferred to the couple's affiliated entity in Guangzhou. Legal proceedings were initiated without delay. The Supreme Court of New South Wales granted an emergency injunction, freezing Mr He and Ms Lu's corporate banking access and halting the unauthorized transfer of IP assets.

Subsequently, JAT's management formally assumed control of Sunnya and uncovered further evidence indicating that, over the course of several years, approximately AUD 16 million profits

of Sunnya had been unlawfully diverted by Mr. He and Ms. Lu through improper transactions to their affiliated offshore entity. The couple are also suspected of serious breaches of their fiduciary duties as directors.

Over the following two and a half years, JAT and Sunnya jointly initiated legal proceedings addressing multiple facets of the case—including trademark infringement and ownership, unlawful profit transfers, director misconduct, and claims for financial compensation. Legal costs exceeded AUD 6 million. In April 2024 and May 2025, the Supreme Court and Court of Appeal of New South Wales handed down the final judgments respectively, ruling entirely in favor of JAT and Sunnya. The “Neurio” trademarks were formally restored to Sunnya. The case has now entered the enforcement phase, including assessment and recovery of compensatory assets.

ANMA Factory Modernisation

At the time the new management team assumed responsibility, ANMA was already facing significant financial distress, with annual operating losses reaching approximately AUD1.5 million. Capacity utilisation continued to decline, the management system was inefficient, operational efficiency was markedly lagging.

Following a comprehensive review of ANMA's equipment allocation, order system, and operational processes, the new management identified a series of wrong decisions inherited from the previous team—including misaligned capital investments in machinery incompatible with existing workflows, the absence of advance payment requirements which heightened the risk of order cancellations, and significant raw material waste. These problems severely undermined production efficiency and operational stability.

The management team undertook sweeping operational reforms targeting three key areas: production optimization, process re-engineering, and management enhancement. Key measures included phasing out incompatible machinery, restructuring production lines to achieve greater alignment between equipment and workflow, and reducing the number of frontline operators from 18 to 13. In parallel, ANMA developed and implemented a proprietary laser-based traceability system, establishing a fully integrated end-to-end product tracking platform.

More importantly, ANMA has instituted a comprehensive and stringent quality control system, providing strong safeguards for brand reputation, regulatory compliance and consumer trust.

As a result of these initiatives, single-shift canning capacity has increased from 5,000 tins to 11,500 tins, and monthly sachet packing output capacity has reached 250,000 tins. Both production efficiency and per capita productivity have improved significantly, marking a substantial turnaround in the factory's operational fundamentals.

Focusing on Core Assets, Enhancing Profitability, and Embarking on a New Chapter

In 2023, JAT's Board made a decisive move to divest its non-core operations in plant-based meats, real estate, and trading. These actions marked a clear break from the previous management's ineffective investments, weak operational oversight, and narrative-driven business models. The company redirected its focus and resources toward strengthening its core value drivers.

To mitigate the risk of trademark squatting—particularly in mainland China—associated with the “Neurio” brand, the new management team proactively launched a next-generation premium brand, “Moroka,” in 2023. Fully owned by JAT with global intellectual property rights, Moroka has been successfully registered in China and other key international markets. Positioned as a high-end nutrition brand free from legacy IP disputes, Moroka represents a major upgrade in the company's brand strategy.

By the end of 2024, JAT had completed the first phase of Moroka's brand upgrade, including formulation enhancements, packaging redesign, and strengthened market positioning. The result was a substantial elevation in both brand image and product appeal. The company has since initiated the second phase of development, focused on expanding the product line and diversifying formats to address a wider range of consumer segments and nutritional needs. The goal is to build Moroka into a globally recognized premium nutrition brand that combines scientific credibility with broad market relevance, meeting the increasingly diverse health demands of consumers worldwide and reinforcing JAT's strategic position in the global premium supplement sector.

In the same year, JAT acquired the remaining 30% equity in the ANMA factory, raising its ownership to 95%. This move further strengthened the company's control over its core assets and enhanced its ability to integrate production resources. The acquisition also ensures greater stability in manufacturing capacity and governance alignment—critical to the long-term development of JAT's brands—and significantly improves its vertical integration capabilities across research and development, production, supply chain management, and market deployment.

Clear Strategic Vision: Advancing into a New Era of High-Quality Growth

Looking ahead, JAT has defined three core strategic objectives:

1. To build a modern enterprise characterized by transparent governance, sound operation and regulatory compliance;
2. To establish itself as a publicly listed company with stable profitability, strong growth potential, and long-term investment value;
3. To become a fully integrated global nutrition company with proprietary brands and in-house manufacturing capabilities.

To achieve these goals, JAT's management team remains firmly committed to strengthening corporate governance in full compliance with legal and regulatory standards, focusing on operational excellence, and developing a high-end brand portfolio. The company will continue to pursue high-quality development with a long-term, pragmatic approach—constantly optimizing its asset structure, improving operational efficiency, and delivering sustainable value for its shareholders.

