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Market Announcements Platform
ASX Limited

Sunnya Case Outcome

The Supreme Court of NSW has published a 400 page judgement in the various proceedings involving the long running dispute between JAT and its subsidiary Sunnya Pty Ltd ("Sunnya") on the one hand and its former directors Mr Yinghan He and Ms Yanxia Lu ("He and Lu"), their related persons (including Australia and Chinese companies and their daughter Ms Yaqing He), and Sunnya's former New Zealand suppliers the Supermega group of companies controlled by Mr Easter Wu ("Wu parties").

After many months of legal proceedings and significant cost, the Court has published its reasons for decision as follows:

- He and Lu had provided false evidence to the Court;
- The Wu parties had provided fabricated documents and false evidence to the Court, including telling of lies;
- Sunnya's rights over its Australia and NZ Neurio trademarks are not subjected purported licence agreements presented by He and Lu (including their related parties) with a finding that one such document (a set of 2014 agreements) was fabricated to given them an advantage in the litigation;
- He and Lu, their related parties and the Wu Parties have worked together to create the "NRIO/Neurio" line of branding after He and Lu's resignation as Sunnya directors to divert business opportunities which belonged to Sunnya as protected by its rights in the Neurio trademark ownership in Australia and NZ;
- Permanent injunctions and orders for compensation against He and Lu, their related parties and the Wu Parties in relation to their "NRIO/Neurio" dealings, including orders to prevent them from further affecting Sunnya's ability to manufacture (from Australia and NZ), and sell and supply Neurio branded products into China;
- The "Guamis" brand which had been used and promoted by Sunnya ought to be returned to Sunnya by He and Lu and their related parties and permanent injunctions against them from further exploiting the same;
- He and Lu had engaged in creditor defeating activities by transferring money (to their family trust company and then overseas to a company controlled by Mr Wu) in their bank accounts shortly after discovering Sunnya's application for freezing orders against them.

The claim by He and Lu related party, Guangzhou Aotea Biological Technology Pte Ltd ("GABT") seeking to recover the Neurio brand and trademarks from Sunnya has been dismissed.

The claim by He and Lu related party, All168 Pty Ltd, alleging that JAT and its directors/officers engaged in oppressive conduct has been dismissed.

The next stage in this case (not accounting for any appeals by any party) is for the Court to consider the appropriate amount of damages which the defendants will be liable to pay to Sunnya as well as an appropriate order for costs.

The Board of JAT considers the overall results of the Australian case to be largely successful and a vindication of its pursuit of the defendants, with some adverse findings which it is now considering, along with formulating its claim for appropriate damages and costs. Critically, Sunnya is now confirmed as the rightful owner of the Neurio and Guamis brands in Australia and NZ and is able to lawfully export to China and preventing other parties from interfering with its business. This judgement will also assist to build Sunnya's case before the Chinese trademarks bureau for the nullification of GABT's Chinese Neurio trademarks.

This judgement also comes as part of a wave of legal successes against the improper conduct of He and Lu and their related parties as two Chinese Courts have in January 2024 and April 2024 successively rejected GABT's attempt to shut down Sunnya's sale channels through two distributors in China, as previously advised to the market.

JAT will keep the market advised as to progress of these matters.

This announcement was authorised by JAT's Board.

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About Jatcorp Limited

Jatcorp (ASX: JAT), at the forefront of innovative technology servicing the world's largest retail markets. With a track record of successful product development and distinguished technology, JAT is a leading producer of supplementary food products, plant-based products and dairy food products.