

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 and plant-based products.



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ASX Limited

## **Jatcorp Achieves Comprehensive Success in Court of Appeal Decision in Sunnya Pty Ltd v He and Wu Parties**

Jatcorp Limited (ASX: JAT) ("Jatcorp" or "the Company") advises that on 24 April 2025, the New South Wales Court of Appeal delivered its judgment in Sunnya Pty Ltd v He & Ors [2025] NSWCA 79, resolving appeals arising from earlier proceedings between Sunnya Pty Ltd ("Sunnya"), a wholly owned subsidiary of Jatcorp, and its former directors, Mr Yinghan He and Ms Yanxia Lu, and related parties (the "He Parties"), including Guangzhou Niurui Trading Co., Ltd. ("Niurui") and Guangzhou Aotea Biological Technology Pte Ltd. ("GABT"); and its former supplier, Mr Easter Wu and the Supermega Group (the "Wu Parties"). This decision marks a significant milestone in the proceedings.

### **First Instance Judgment**

At first instance, the Supreme Court of New South Wales found that the He Parties had breached their duties as directors of Sunnya, including:

- attempting to transfer Sunnya's "Neurio" trademarks for their own benefit; and
- causing and permitting related parties to appropriate Sunnya's market for Neuroio-branded products in China, by selling competing products under newly created "NRIO" or "NRI" branding.

The Court also found that the Wu Parties knowingly assisted in the He Parties' breaches and were liable to Sunnya for resulting losses.

However, the primary judge did not accept all of Sunnya's claims, notably rejecting the allegations that the He Parties had:

- implemented a systematic scheme from 2019 to generate false commercial invoices to facilitate the sale of products at artificially low prices to related parties, thereby diverting Sunnya's profits and damaging the company's commercial interests (the "Commercial Invoice Scheme");
- in 2021, sold products at significantly undervalued prices to companies controlled by their relatives, further transferring profits away from Sunnya and leaving minimal profits in the China market (the "Undervalue Sale Scheme").

### **Appeal and Cross-Appeal**

Following the first instance decision:

- Sunnya and Jatcorp appealed the dismissal of their claims regarding the Commercial Invoice Scheme and the Undervalue Sale Scheme.
- The He Parties and Wu Parties cross-appealed against the findings of liability made against them.

### **Court of Appeal Judgment**

In its decision, the Court of Appeal:

- **Dismissed in full the appeals brought by the He Parties and Wu Parties;**
- **Allowed in full the cross-appeal by Sunnya and Jatcorp, finding that the Commercial Invoice Scheme and the Undervalue Sale Scheme were both improperly implemented and not in Sunnya's best interests, thus expanding the Company's entitlement to claim additional damages;**
- **Awarded costs of both the trial and appeal in favour of Sunnya and Jatcorp;**
- **Set aside certain adverse costs orders made at first instance, further improving the Company's costs recovery position.**

The case will now move to the second stage hearing for the purposes of determining the actual amount of compensation payable to Sunnya and Jatcorp. The injunctions and restraining orders previously imposed by the first instance court will be maintained, and the He Parties and Wu Parties remain bound not to interfere with Sunnya's sale of Neurio products in Australia, New Zealand, and China.

### **Next Steps**

The proceedings will now move to a further hearing for the determination of the quantum of damages and equitable compensation payable to Sunnya and Jatcorp.

Accordingly, while the Court's findings strengthen the Company's claims for damages and cost recovery, the quantum and timing of actual recoveries remain subject to enforcement outcomes. Jatcorp and Sunnya will continue to take appropriate steps to enforce any judgment obtained.

*Chief Executive Officer, Mr Sunny Liang, said: "The Court's decision affirms the Company's commitment to protecting its intellectual property and enforcing its legal rights. We are encouraged by the outcome but remain appropriately cautious regarding recovery prospects. We will continue to pursue our claims vigorously while focusing on building a stronger future for the Company and our stakeholders."*

Further updates will be provided to the market as the matter progresses.

This announcement has been authorised for release by the Board of Jatcorp Limited.

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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.*